



City of Kingsburg

1401 Draper Street, Kingsburg, CA 93631-1908
(559)897-5821; (559)897-5568

Michelle Roman
Mayor

Laura North
Mayor Pro Tem

COUNCIL MEMBERS
Sherman Dix
Vince Palomar
Jewel Hurtado

Alexander J. Henderson
City Manager

CITY OF KINGSBURG FINANCE COMMITTEE REGULAR MEETING

AGENDA

August 27, 2019

6:00 p.m.

**KINGSBURG CITY COUNCIL CHAMBER
1401 DRAPER STREET**

1. **Call to order** – Chairman Sherman Dix
2. **Public Comments** - Any person may directly address the Committee at this time on any item not on the agenda, or on any item that is within the subject matter jurisdiction of the Committee. A maximum of five minutes is allowed for each speaker.
3. **Approval of Minutes** –Approve minutes from the March 26, 2019 Finance Committee Meeting as prepared by City Clerk Abigail Palsgaard.
4. **Solid Waste Rate Discussion**
Possible Action(s):
 - a. Presentation by City Manager Alexander Henderson
 - b. Committee Discussion
 - c. Action as deemed appropriate
5. **Existing Contracts Review Project**
Possible Action(s):
 - a. Presentation by City Manager Alexander Henderson
 - b. Committee Discussion
 - c. Action as deemed appropriate
6. **Other Business**
7. **Adjourn** - to the next regular meeting of the City of Kingsburg Finance Committee.

**Kingsburg Finance Committee
Regular Meeting Minutes
March 26, 2019**

Call to order: Chairman Sherman Dix called the meeting to order at 605pm.

Member present: Michelle Roman, Sherman Dix, Alexander Henderson and Alma Colado.

Staff present: Community Services Director Adam Castaneda and City Clerk Abigail Palsgaard

Public Comments: None.

Approval of Minutes

Member Henderson motioned to approve minutes from the February 26, 2019 Finance Committee Meeting as prepared by City Clerk Abigail Palsgaard. The motion was seconded by Member Colado and passed with a unanimous voice vote.

Athwal Park Grant, Department of Housing and Community Development

Community Services Director Adam Castaneda presented that in 2017 the City applied for a \$75,000 parks grant, which we received. The City has until 6/30/2019 to request the funds and until 9/30/2019 to spend the funds. The Committee discussed deadlines and the best way to spend the grant funds. The committee decided to use the grant funds on a play structure and/or skate park equipment and the engineering costs. Committee agreed.

Katrina Alvarez, Kingsburg Youth Soccer, asked about restroom facilities. Member Henderson said it was not in phase 1 because of the cost.

Crandell Swim Complex Rehabilitation Project

Presentation by Community Services Director Adam Castaneda gave a background on the Crandell Swim Complex. It was built in 1988. 2003 was the last year it was resurfaced, but not re-plastered the pool. It currently has age spots in pool, tile missing in the decking. The Committee discussed the JPA with the High School and the shared responsibilities. The committee discussed grant opportunities with the Healthcare District. The committee decided with certain terms in writing that applying for a grant through the Kingsburg Tri-County Healthcare District would be beneficial.

Discussion of Multi-Use Park Facility

Member Henderson- reached out to property owners around the Hash/AVP property to see if they would be willing to sell for a purpose of a sports park. There is a property owner who is interested. Staff is looking for feedback, if there is a desire to advanced it we would bring it to council. The Committee discussed the acreage needed and that they would not want to invest money if it was not a good fit.

Katrina Alvarez, Kingsburg Youth Soccer, said it is safe to say that all major sports would like to have one area. The committee discussed the need for lights and areas where there could be partnership with other organizations.

The Committee gave direction to bring it to Council for an initial discussion.

Other Business: None.

Adjourn: The meeting was adjourned to the next regular meeting of the City of Kingsburg Finance Committee at 6:55pm.



Meeting Date: 08/27/2019

Agenda Item: 4

FINANCE COMMITTEE MEETING STAFF REPORT

REPORT TO: Chairman Dix & Finance Committee

REPORT FROM: Alexander J. Henderson, City Manager ICMA-CM

REVIEWED BY: AP

AGENDA ITEM: Solid Waste Rate Discussion

ACTION REQUESTED: ☐ Ordinance ☐ Resolution ☐ Motion ☒ Receive/File

EXECUTIVE SUMMARY

In 2014 the City's previous solid waste franchise contract with Waste Management expired. Prior to that expiration, the City requested proposals to ensure the vendor would be able to provide the service for the most competitive rate. Ultimately, the Council chose to engage Mid Valley Disposal given their experience in the industry as well as their competitive rates. The agreement included a two-year rate lock, with subsequent years increasing based upon the Consumer Price Index. The contract recently began its sixth year (the contract is for 10 years).

At issue is the need to adjust rates to consumers (residents and commercial users) to reflect the costs being charged by the vendor. Because of the initial rate lock and competitive pricing, the City has been able to avoid any residential rate increases for solid waste services under the new contract. The City did approve some new commercial rates based upon services provided. The City operates a solid waste enterprise fund that collects revenues for:

- Refuse, Recycling and Green Waste
- Street Sweeping
- Any delinquent penalty payments
- PM 10 Credits – these are amounts paid by the CoGen factory for air quality purposes and were used to help offset street sweeping costs. These amounts have diminished from \$50,000+ annually to roughly \$1,500 due to less use.

Expenditures Include:

- Contract payments for Refuse, Recycling and Green Waste
- Contract payments for Street Sweeping
- Pro-rata portion of employee wages/benefits for utility-based work
- Supplies/equipment needed for utility billing

The enterprise fund essentially operates as a pass-through fund. For both FY2019 and FY2020 staff is estimating that revenues will be essentially equal to expenditures. Additional increases will result in a negative balance that will either require short-term borrowing from other enterprise funds or general fund subsidy. Based on staff research, the most recent rate increase to residents was made in 2009 (the increase then was ~8.6%). If the Finance Committee and Council agree to move forward, the issue would have to be properly noticed and follow Proposition 218 guidelines, which allows for protest votes.

There are currently two issues that staff is seeking direction:

1. The ability to engage in a Prop 218 process to tie both residential and commercial rates to the associated rate increases as outlined in the agreement with Mid Valley Disposal (CPI). Staff also believes street sweeping services should be reviewed in conjunction.

2. Mid Valley Disposal is requesting the council consider amending the existing contract to utilize a different consumer price index.

As the attached letter from Mid Valley Disposal outlines, they are also seeking a change to the methodology for how the rate increases are implemented. They are asking for this adjustment based upon the costs associated with doing business in California. Their request is to use the San Francisco regional CPI. The difference in the two formulas over the period of our existing contract is ~10%. Their letter outlines the reasons they believe the modification is necessary.

RECOMMENDED ACTION BY FINANCE COMMITTEE

1. Staff believes the financial responsible act is to pursue an increase tied to the agreement with Mid Valley Disposal. Staff recommends moving forward with the necessary Prop 218 activities.

POLICY ALTERNATIVE(S)

1. N/A

REASON FOR RECOMMENDATION/KEY METRIC

1. Ensure Financial Stability

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|---------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |
| 3. If Budgeted, Which Line? | <u>Varies</u> |

BACKGROUND INFORMATION

See Executive Summary

ATTACHED INFORMATION

1. Request Letter from Mid Valley Disposal
2. Existing Agreement with Mid Valley Disposal
3. Budget information



TO: ALEX HENDERSON
KINGSBURG CITY MANAGER

FROM: JOE HEISDORF
MID-VALLEY DISPOSAL

SUBJECT: **SOLID WASTE AND RECYCLING FRANCHISE AGREEMENT**

DATE: JULY 17, 2019

Alex,

This letter outlines the factors supporting Mid-Valley Disposal's ("MVD") request to adjust the CPI component in Residential, Commercial, and Industrial Solid Waste, Recyclables and Green Waste Collection Franchise Agreement (the "Agreement").

In May 2014, the City and MVD entered into the Agreement to provide refuse and recyclable collection services for residents and businesses in the City of Kingsburg. Exhibit A to that Agreement outlined the fees paid by City to MVD for different services provided. Section 11 of the Agreement allows for the adjustment of those fees based on the CPI-U, U.S. City Average beginning July 1, 2016. Also, under Section 11, the contractor is allowed to apply to the City for a rate adjustment due to Extraordinary Events, including any changes in law.

Since the contract term began, several events have happened that directly impact the cost of providing waste and recycling services. Below are a few of the most impactful items:

Change in law

- In 2016 Governor Brown approved Senate Bill No. 3 which provided for an increase in the minimum wage to \$15.00/hr phased in over 6 years. This has a direct effect on the cost to collect and process recyclable materials.
- On April 6, 2017 the California legislature passed SB-1 which increased taxes on diesel fuel by \$0.20/gallon. This bill also increases in vehicle registration and fuel storage fees.

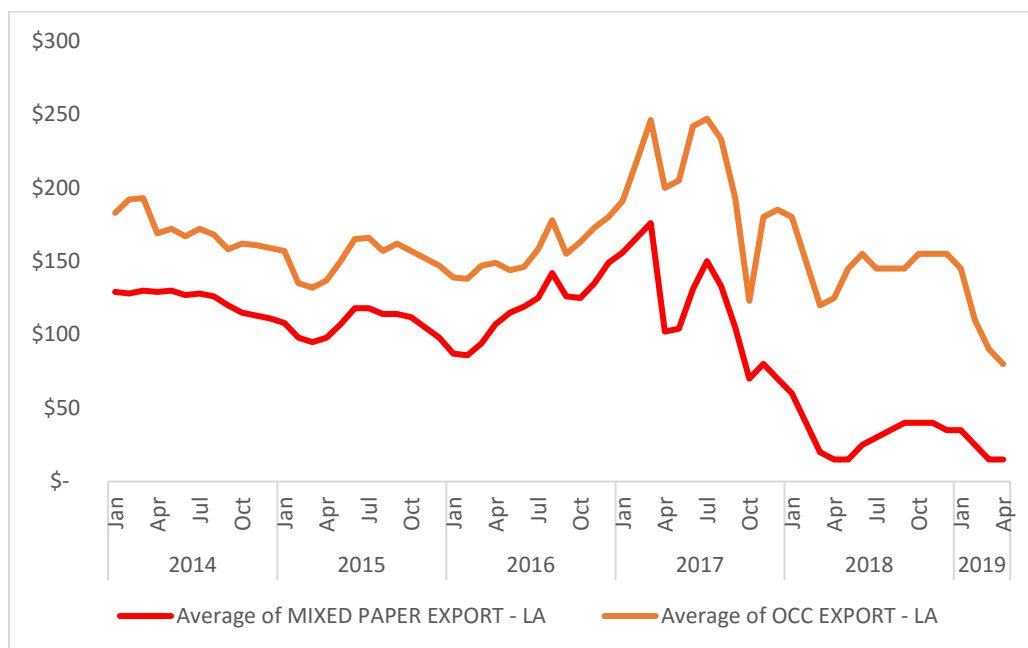


Extraordinary Events - Availability of Markets

It is commonly known that almost all recovered recyclable material generated in California is shipped to China for processing. This has created tremendous leverage for the Chinese government in controlling prices and they have begun to use that leverage increasingly over the past two years:

- In July 2017, China notified the World Trade Organization (WTO) of its intention to prohibit the import of certain solid wastes and scrap into their country, including mixed paper and mixed plastics, beginning on January 1, 2018. In addition, China announced a new, and exceedingly stringent, contamination standard applicable to recyclable imports (0.3 percent).
- On May 3, 2018 China announced the suspension of China Certification and Inspection (CCIC) North America's U.S. operations for one month (May 4 – June 4, 2018), which effectively freezes all U.S. exports of recyclable materials to China.

These measures have had a significant impact on the value of recovered fiber, as illustrated by the chart below:





Inflation Adjustment

Currently, the contract rate adjustments are based on an increase in the US national average CPI, which does not capture the increased cost of doing business in California. A comparison of the regional indices compared to the national average shows a significant difference:

	2014	2019	% Increase
U.S. city average	236.38	254.41	7.6%
Los Angeles-Long Beach-Anaheim, CA	242.12	272.20	12.4%
San Francisco-Oakland-Hayward, CA	250.51	293.15	17.0%

Source: US Bureau of Labor Statistics – <https://www.bls.gov/cpi/data.htm>

Based on the information outlined in this letter, we would request the City implement a 5.0% adjustment to the current rates and amend section 11 of the Agreement to use the San Francisco regional CPI index for future adjustments.

Joe Heisdorf, C.F.O.
Mid-Valley Disposal

**CITY OF KINGSBURG
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL
SOLID WASTE, RECYCLABLES AND GREEN WASTE
COLLECTION FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT ("**Agreement**") is made and entered into this 23rd day of May, 2014, by and between the CITY OF KINGSBURG, a charter city of the State of California ("**City**"), and MID VALLEY DISPOSAL, INC., a California corporation ("**Contractor**"). City and Contractor are each a "**Party**" and together are the "**Parties**" to this Agreement.

RECITALS

A. The Legislature ("**Legislature**") of the State of California ("**State**") by enactment of the California Integrated Waste Management Act of 1989 ("**Act**") and subsequent additions and amendments (codified at California Public Resources Code Section 40000 et seq.) has declared that it is in the public interest to authorize and require local agencies to make adequate provisions for solid waste collection within their jurisdiction.

B. The Legislature has found and declared that the amount of solid waste generated in the State; coupled with diminishing landfill space and potential adverse environmental impacts from landfilling and the need to conserve natural resources, have created an urgent need for State and local agencies to enact and implement an aggressive integrated waste management program. Through enactment of the Act, the State has directed the responsible State Agency, and all local agencies, to promote diversion of materials from landfill disposal and to maximize the use of feasible waste reduction, re-use, recycling and composting options in order to reduce the amount of solid waste disposal.

C. Pursuant to the powers granted the City under the California Constitution and the Kingsburg Municipal Code ("**Code**"), the City has determined the public health, safety and well-being require that an exclusive right be awarded to a qualified contractor to provide for the collection of solid waste, recyclable materials and organic materials generated by all residential, commercial, multi-family premises within the City, together with all industrial and construction locations therein and other services related to meeting the Act's 50% diversion goal and other requirements of the Act.

D. The City has the authority pursuant to the Code to provide for the collection and disposal of solid waste through an exclusive franchise agreement with a solid waste collection provider.

E. On April 2, 2014, the City issued a Request for Proposals for Refuse, Recycling and Green Waste Collection and Disposal Services ("**RFP**"). The City received six (6) proposals in response to the RFP. City Staff reviewed and analyzed the proposals and selected three (3) proposals for review by the City Finance Committee. The City Finance Committee reviewed and analyzed the three (3) proposals submitted by City Staff. As a result of such review and analysis by City Staff and the City Finance Committee, the City Staff made a recommendation to the City Council to accept the proposal of Contractor and award the exclusive franchise to the Contractor.

F. The City Council of the City has determined, based upon the recommendation, information and analysis provided by the City Staff to the City Council and terms and conditions of Contractor's response to the RFP, that Contractor is fully qualified, has demonstrated its experience and has the capacity to fully carry out the provisions of this Agreement.

G. The City grants to Contractor the exclusive franchise for the collection of all residential, commercial and industrial solid waste, recyclable materials and organic materials as such terms are defined in this Agreement and Contractor agrees to perform all the services identified in this Agreement in strict accordance with all the terms and conditions of this Agreement.

H. The Contractor will provide preference in employment to qualified City residents and preference to City businesses as to the delivery of services identified in this Agreement and the purchase of supplies, tools and equipment related to the delivery of the services under this Agreement. Furthermore, Contractor agrees to be a model corporate citizen by sponsoring and supporting youth and civic organizations located in the City.

I. This Agreement has been developed by and is satisfactory to City and Contractor and Contractors agrees to execute this Agreement in its current form prior to approval of this Agreement by the City Council for the City.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions contained in this Agreement and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged and intending to be legally bound, the Parties agree as follows:

SECTION 1: Award of Exclusive Franchise; Scope of Work. City hereby awards Contractor an exclusive franchise to collect all residential, commercial and industrial solid waste, recyclable materials and green waste (organic materials/yard waste/green waste) originating in the City limits, and any future expansion of the City limits, in the manner described in the attached Solid Waste, Green Waste and Recyclables Collection Contract Specifications ("**Specifications**"), which is attached to this Agreement and incorporated by reference and made a part of this Agreement by this reference and as more fully set forth in this Agreement and in all respects in accordance with this Agreement and the Specifications and Exhibits all of which are attached to this Agreement and incorporated into this Agreement and made a part of and as more fully set forth in this Agreement. This Agreement, the Specifications and all Exhibits attached to this Agreement are sometimes hereinafter collectively referred to as ("**Agreement**").

SECTION 2: Term. This Agreement shall take effect on June 30, 2014 at 12:00 a.m., and, subject to the provisions of this Agreement, shall remain in full force and effect for a period of ten (10) years, until 11:59 p.m. on June 29, 2024, unless earlier terminated as defined in Section 27(c) of the Specifications or extended by the City in accordance with the provisions in this Section 2. At the City's option, the City may elect to grant up to two (2) five (5) year extensions of the Term of this Agreement ("**Extended Term**") by providing Contractor with written notice of its election to extend the Term of this Agreement. Any Extended Term will be pursuant to the terms and conditions of this Agreement, including, without limitation, the pricing in effect on the first day of each Extended Term. If City elects to exercise such option, it will provide Contractor with written notice ninety (90) days prior to the date specified as the termination date of this Agreement. The initial ten (10) year Term of this Agreement and any exercised Extended Term are hereinafter collectively referred to in this Agreement as "**Term**".

SECTION 3: Payment to Contractor. In consideration of the Contractor's performance of the services described in this Agreement, the City shall pay to the Contractor the amount shown in Exhibit "A" to this Agreement when and as collected, as adjusted from time to time, consistent with the provisions of this Agreement.

SECTION 4: Definitions and Terms. Wherever the following words and terms are used in this Agreement, the Specifications, the Exhibits or other associated documents, the intent and meaning shall be as set forth in this Section 4.

AB 939: The California Integrated Waste Management Act of 1989 commonly known as Assembly Bill 939 ("AB 939") including any future amendments to code sections added by AB 939.

ADDENDUM: A formal written notice from the Director of addition, deletions, modifications or explanations of this Agreement.

BULKY ITEM: Items of rubbish either too large or too heavy to safely be loaded in waste collection vehicles with the equipment available therefor. Items shall be limited to 3 per pick-up and limited to 100 lbs per item. Bulky Items shall be able to fit on the back of flatbed vehicle and shall require no more than two (2) people to load. Bulky Items may be left at curb and will be subject to additional charges to be determined by Contractor.

CHANGE ORDER: A Change Order is a written order issued by the Director for changes in the Services. Such Change Orders will be prepared on a standard form issued by the City and will list the nature of the change and the method of payment.

CITY: City shall mean the City of Kingsburg, a charter city of the State of California.

COLLECTION: Removal and transportation of Solid Waste, Recyclables and Green Waste from its place for pickup to its place of processing or disposal.

COMBINED SOLID WASTE: Solid Waste containing Garbage, Green Waste and Recyclables.

COMMERCIAL SOLID WASTE: Solid Waste normally generated from the maintenance and operation of commercial and retail businesses.

COMMERCIAL COLLECTION SERVICE: Removal and transportation of Solid Waste, Recyclables and Green Waste from commercial and retail properties, multi-family residential properties using commercial bins utilizing Contractor-owned and provided collection containers.

C&D: Construction and demolition material or waste, which includes, but is not limited to, paper, plastic, cardboard, stucco, wood, metal, concrete and drywall generated at residential, commercial or industrial constructions sites.

DETACHABLE CONTAINERS: Residential and commercial bins or Solid Waste and Recyclables or Green Waste containers, which shall be made of rubber or plastic for residential use; and rubber, plastic or metal for commercial and industrial use.

DIRECTOR: Shall mean the City's Director of Public Works Department or the Director's duly authorized representative.

EXTRA WORK: Extra work is work over and above that called for in this Agreement.

FRANCHISE FEES: Means those fees identified in Section 12 of the Specifications as franchise fees, which constitute part of Contractor's consideration paid to City for the award of the exclusive franchise to perform the Services identified in this Agreement.

GARBAGE: Putrefactive animal or vegetable wastes resulting from the handling, preparation, cooking, serving or consumption of food; and non-putrefactive solid wastes consisting of combustible and noncombustible waste materials from residential, apartment, agriculture, commercial, industrial and institutional establishments, including yard wastes and items commonly referred to as trash.

GREEN WASTE or ORGANIC WASTE: Organic materials consisting of yard clippings, leaves, brush, twigs, and food scraps if allowed by the City.

INDUSTRIAL SOLID WASTE: Solid waste normally generated by large industrial generators, including, but not limited to, manufacturing facilities, warehouses and job and/or construction sites. Contractor has exclusive franchise rights for all Services for 0 to 9 cubic yards. Roll-off services which range between 10 to 50 cubic yards are not included in the exclusive franchise.

INDUSTRIAL COLLECTION SERVICE: Removal and transportation of Solid Waste, Recyclables and Green Waste from industrial properties utilizing Contractor-owned and provided collection containers.

NON-CONFORMING MATERIAL: Includes materials and or items, including Bulky Items, typically generated by a curbside collection event and which exceed weight and size restrictions for regular collection.

RECYCLABLES: Materials that have value and can be diverted from landfill disposal including, without limitation, materials that by way of collecting, sorting, cleansing, treating and reconstituting materials would otherwise become solid waste, and by processing can be returned to the economic mainstream in the form of raw materials for new, reused or reconstituted products. Recyclables include, without limitation, newsprint, mixed paper, aluminum, plastics, glass, metal, cardboard, chip board, junk mail, magazines, newspaper, books, computer paper and the like. Recyclables are Solid Waste within the meaning of Public Resources Code Section 40191, and for purposes of this Agreement shall be regulated as such, when (a) they are mixed or commingled with other types of Solid Waste, or (b) when the payment of any fee, charge or other consideration, in any form or amount, is directly or indirectly solicited or received from the generator by any person or persons in exchange for collection, removal, transportation, storage, processing, handling, consulting, container rental or disposal services ("fee for service" recycling), whether or not arranged by or through a subcontractor, broker, agent, consultant or affiliate of the provider of such service. Notwithstanding the foregoing, generators of Recyclables retain the right to donate, sell or otherwise dispose of their own source-separated Recyclables, including delivering CRV beverage containers for redemption.

REFUSE CONTAINERS: Receptacles used by any person to store Solid Waste, Recyclables and Green Waste during the interval between Solid Waste, Recyclables and Green Waste collections.

RESIDENCE: Includes single family dwellings and multi-family dwelling, including, without limitation, duplexes, triplexes, fourplexes, apartments and condominiums.

RESIDENTIAL SOLID WASTE: Solid Waste normally generated from the maintenance and operation of Residences.

RESIDENTIAL COLLECTION SERVICE: Removal and transportation of Solid Waste, Recyclables and Green Waste from Residences utilizing Contractor-owned and provided collection containers.

SENIOR CITIZEN: Residents who are at least sixty (60) years old and who are the primary residents of a Residence within the City.

SERVICES: Services shall mean the furnishing of all labor, materials, equipment and all other incidentals necessary for the successful completion by the Contractor of all the work and services to be performed by Contractor under this Agreement, including, without limitation, Commercial Collection Services, Industrial Collection Services and Residential Collection Services.

SOLID WASTE: means Source Separated Solid Waste as defined in the California Public Resources Code Section 40191 and regulations promulgated thereunder and those discarded materials that the City Code requires generators within the City to set out for collection. Excluded from the definition of solid waste are hazardous waste, infectious waste, designated waste, source separated recyclable materials, source separated organic materials and radioactive waste.

SOURCE REDUCTION AND RECYCLING ELEMENT (SRRE): The planning tool that has been adopted by the City, which defines programs to be implemented to meet the mandates of AB 939.

SPECIFICATIONS: The Specifications are the provisions in the Specifications portion of this Agreement.

STREET OR ALLEY: The whole area within the legally established street or alley right-of-way.

SUB-CONTRACTOR: Subcontractor is any individual, firm, partnership, corporation or limited liability company licensed or otherwise authorized by law to do business in the City of Kingsburg, to whom the Contractor, with written consent of the City as required by this Agreement, sublets a part of the Services.

UNIT PRICE: The unit price is the monthly compensation for the Service for each specified container at each residential, commercial or industrial customer. For determining the unit price for Residential Solid Waste Collection Services, Contractor shall also include at least one (1) Recyclables container and at least one (1) Green Waste Container.

WORKING AND INDUSTRIAL SOLID WASTE COLLECTION HOURS: Working hours shall be those hours between 5:00 a.m. and 6:00 p.m. for Commercial Service and 6:00 a.m. and 5:00 p.m. for Residential Solid Waste Collection Services.

ZONE OF COLLECTION: The zone of collection includes the entire area within the City limits as now or hereafter constituted.

SECTION 5: Notices. All notices to be provided by one Party to the other shall be in writing and shall be delivered or mailed to the following respective addresses:

To City: City of Kingsburg
1401 Draper Street
Kingsburg, CA 93631
Attn: Public Works Director
Fax: (559) 897-1066
Email: dnhays@cityofkingsburg-ca.gov

To Contractor: Mid Valley Disposal, Inc.
15300 N. Jensen Avenue
Kerman, CA 93630
Attn: Joseph Kalpulcoff
Fax: (559) 842-9437
Email: josephk@midvalleydisposal.com

or other such respective addresses as either Party may from time to time designate in writing. Notice is duly given to another Party upon: (a) hand delivery to the other Party; (b) three (3) business days after the notice has been deposited with the United States Postal Service as first class certified mail, return receipt requested, postage prepaid, and addressed to the Party at its then-current address; (c) the next business day after the notice has been deposited with a reputable overnight delivery service, postage prepaid, addressed to the Party at its then-current address, with next-business-day delivery guaranteed, provided that the sending Party receives a confirmation of delivery from the delivery-service-provider; (d) when received by the other Party if transmitted by facsimile, so long as such transmittal is evidenced by electronic confirmation; or (e) e-mail if receipt is verified.

SECTION 6: Attorneys' Fees and Costs. If an action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other reasonable relief to which he may be entitled. With respect to any suit, action or proceeding arising out of or related to this Agreement, or the documentation related hereto, the parties hereby submit to the jurisdiction and venue, in the County of Fresno, State of California for any proceeding arising under this Agreement.

SECTION 7: Sole and Only Agreement. This Agreement supersedes any and all other agreements, either oral or in writing between the Parties hereto with respect to the matters set forth herein and contains all of the covenants and agreements between the Parties regarding said matters.

SECTION 8: Invalidity. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

SECTION 9: Binding on Successors and Assigns. Subject to the provisions of Section 17 of the Specifications, this Agreement shall bind and inure to the benefit of all successors and assigns of the Parties to this Agreement.

SECTION 10: Time of the Essence. Time is of the essence in this Agreement.

SECTION 11: Waivers. No waiver by either Party of any provision of this Agreement shall be deemed a waiver of any other provision or of any subsequent breach by either Party of the same or any other provision.

SECTION 12: Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument.

SECTION 13: Cumulative Remedies. Rights under this Agreement are cumulative; failure to exercise on any occasion any right shall not operate to forfeit such right on another occasion. Each Party shall also have any other remedy given by law or in equity. The use of one remedy shall not be taken to exclude or waive the right to use of any other remedy.

SECTION 14: Force Majeure. Neither Party shall be considered in default in the performance of its obligations under this Agreement to the extent that such performance is prevented or impaired by the occurrence of Force Majeure. As used in this Agreement, the term "**Force Majeure**" shall mean events or causes that are not reasonably within the control of the Party whose ability to perform under this Agreement is impaired, prevented, including, without limitation, acts of God, lightning, storms, floods, earthquakes, civil disturbances, acts of a public entity, power failure or government restraint. The obligations under this Agreement of the affected Party shall be suspended during the period during which the event of Force Majeure exists; however, the term of this Agreement shall not be extended for a period commensurate with such period. Any such suspension shall not exceed thirty (30) days after the occurrence of the Force Majeure event absent the written consent of the other party.

SECTION 15: Amendments. No change, amendment or modification of this Agreement shall be valid unless the same be in writing and signed by the Parties hereto.

SECTION 16: Authority to Execute. The Parties to this Agreement and the persons executing this Agreement on behalf of the Parties hereto warrant that; (i) such Party is duly organized and existing; (ii) such person(s) are duly authorized to execute and deliver this Agreement on behalf of said Party; (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement; (iv)

the entering into of this Agreement does not violate any provision of any other agreement to which said Party is bound; and (v) there is no litigation or legal proceeding which would prevent such Party from entering into this Agreement.

SECTION 17: Governing Law. This Agreement shall be construed and governed pursuant to the laws of the State of California.

IN WITNESS WHEREOF, the authorized representatives of the Parties have executed this Agreement on the day and in the year first set forth above.

CITY:

City of Kingsburg,
a charter city

By: _____

Chet Reilly, Mayor
Cse

CONTRACTOR:

Mid Valley Disposal, Inc.,
a California corporation

By: _____

Joseph Kalpakoff, President

By: _____

Natalie Kalpakoff
NATALIE, Secretary
KALPAKOFF

SOLID WASTE, RECYCLABLES AND GREEN WASTE COLLECTION AGREEMENT SPECIFICATIONS

1. General Description. The Contractor shall perform all the Services, including, without limitation, collection of all Solid Waste, Recyclables and Green Waste from Residences, Commercial establishments and Industrial sites in accordance with the provisions of this Agreement, within the City limits of the City of Kingsburg as they now exist or may be expanded during the Term of this Agreement.

Contractor shall furnish all labor, equipment, materials, tools, insurance, supervision and all other items incidental thereto and shall perform all the Services in the manner and at the times prescribed in this Agreement and perform all of Contractor's obligations and responsibilities under this Agreement.

Contractor acknowledges that the City has selected and implemented programs to meet the State of California mandates for source reduction and recycling as defined by Assembly Bills 341 and 939 ("AB 341" and "AB 939"). The City's currently selected programs include utilizing a three-container system for Residential Collection Services from residents and designated multi-family units. Contractor shall cooperate with the City to meet and exceed the requirements of AB 341 and AB 939. Subject to the provisions of California Public Resources Code Section 40059.1 The Contractor shall indemnify, defend and hold harmless the City and its officials, officers, employees, agents, representatives and volunteers (collectively, "City Parties") from and against any and all fines, damages, claims, liabilities, costs, expenses and attorneys' fees levied by the State resulting from Contractor's failure to meet the requirements of AB 341 and AB 939. Residential Collection Services shall include not less than once per week collection and disposal of Solid Waste from individual Contractor-owned and provided containers of various sizes consistent with the need and desires of each Residence. Residential Collection Services shall also include not less than once per week collection of Green Waste and Recyclables from individual Contractor-owned and provided containers. Residents will be provided the opportunity to place all three containers out for collection on their designated collection day. All Residential Collection Services will be alleyway collection unless there is no alleyway available to the Residence. The contractor shall be required to move all containers to one side of the alley for collection, and to return the containers to their original location to avoid multiple trips with their vehicles.

Commercial and Industrial Collection Services shall include not less than once per week collection and disposal of refuse from Contractor-owned and provided bulk containers as provided in these Specifications. Service shall also include not less than once per week collection of Recyclables and Green Waste. Such Service may be from various sized bulk containers picked up one or more times per week, depending upon the agreement with the commercial entity.

Contractor shall maintain and actively participate in a public outreach and education campaign which promotes and encourages participation in each of the City's diversion programs. The programs will include, at a minimum, access to a Recycling Coordinator, one bi-monthly print advertisement, participation in City and Community events, and the distribution of an annual recycling report that summarizes performance under each of the City's diversion programs.

2. Provisions for Community Needs. At no cost to the City, the Contractor shall provide the following Services to the City:

a. Empty as needed, but not less frequently than twice weekly, all public Solid Waste and Recyclables containers for all existing accounts, as well as future growth.

b. Provide and empty as needed, but not less frequently than once weekly, Solid Waste and Recyclables bins or containers at all City parks and park facilities. Contractor will provide services to all existing Kingsburg accounts, which includes School facilities.

c. Provide Solid Waste and Recyclables containers and/or roll offs and portable toilets as requested by the City and all necessary delivery, collection, pumping and/or disposal of the contents thereof for special City events annually during the Term of the Agreement, including, without limitation:

- (i) The Kingsburg Car Show;
- (ii) The Swedish Festival;
- (iii) Swedish Village Farmer's Market
- (iv) The Fourth of July Independence Celebration;
- (v) The Summer Band Concerts Under the Stars;
- (vi) Julgransfest Christmas Tree Lighting Ceremony;
- (vii) Santa Lucia Festival Christmas Village Celebration;
- (viii) The Harvest Moon Jazz Festival;
- (ix) Farmer's Market;
- (x) Trick or Treat; and
- (xi) Annual Dinner and Awards Functions.

d. Provide and empty as needed, but not less frequently than once weekly, three (3) cart services at all City-owned buildings and facilities, including, without limitation, all City parks.

e. Provide special handling (walk-in service) at no additional charge for senior citizens and others physically unable to transport Solid Waste, Recyclables and Green Waste to the curbside.

f. Provide senior citizen and disabled persons and veterans discount of \$1.00 per month when requested.

g. Participate in two (2) Annual Community Clean up Weekend events per year on dates and at a location designated by the City. Contractor will provide staffing, equipment and containers for each event. Contractor will advertise the events with a mail-out as part of the City billing the month prior to the event. Additionally, Contractor will provide on-call, on-site pick-up for Senior Citizens and disabled customers. Contractor's disposal yard in the City will be used for these events. Contractor will also perform all reporting and record keeping of all tonnages received and collected during these events.

h. Provide and empty Solid Waste, Recyclables and Green Waste containers for alley clean up events at times and locations designated by the City.

i. Provide all customers with the opportunity to participate in up to two (2) by-appointment curbside collection events per year for Non-Confirming Materials for the fees identified in Exhibit "A".

j. In addition to Annual Community Clean up Weekend events, allow all customers, on an annual basis, to drop off up to two (2) cubic yards of Solid Waste, Recyclables and Green Waste at the Contractor's location in the City for the fee identified in Exhibit "A".

k. Provide at least two (2) Residential Sharps Drop-off Kiosks at locations designated by the City.

l. All required Solid Waste, Recyclables and Green Waste containers shall be owned, supplied and properly maintained by the Contractor.

m. Full-service recycling support, which includes, without limitation, annual report assistance, outreach at all City events, planning assistance for all City-sponsored events, recycling participations audits, and public opinion survey assistance.

n. Contractor shall mount hopper cameras on all collection vehicles. Contractor drivers will be required to check for contaminants in recyclables and organic materials containers if and when they dismount the collection vehicle to position the container and check the contents. If contamination is visible, the container will be tagged with a Corrective Action Notice. Contractor recycling drivers will call Contractor's office to report the contamination, and a public education specialist will visit the customer to lend assistance and do training. All information will be logged into Contractor's customer management database.

o. Contractor will perform an annual audit to assess recycling participation, report and permanently solve obstructions to participation, as well as identify waste stream component trends and markets for potential recyclable materials. All findings will be reported to and reviewed with the City.

p. Residents may drop off all their covered electronic devices ("CED's") at Contractor's City disposal yard facility during normal business hours, free of charge.

q. Residents will receive a reduced rate when using Contractor's public dump location within the City.

r. Contractor will provide scholarships and make donations in the amount of (\$1,500.00) annually during the Term, to schools, organizations and non-profit groups located in the City.

s. The City will receive all brand new uniform garbage, recycling, and green waste containers that will be constant for residential, commercial and industrial customers. All carts and bins used will be uniform in color and style.

It shall be the Contractor's responsibility to give written notice to the Director of any citizen's violation of City Ordinances in respect to the condition and location of garbage containers and commercial bins. The Director's decision regarding whether such violation has occurred or continues to occur shall be final and binding on Contractor.

3. Collection Schedule. Residential Collection Services shall include not less than once per week collection and disposal of Solid Waste from individual Contractor-owned and provided containers of various sizes consistent with the need and desires of each Residence. Residential Collection Services shall also include not less than once per week collection of Green Waste and Recyclables from individual Contractor-owned and provided containers. Residents will be provided the opportunity to place all three containers out for collection on their designated collection day. All Residential Collection Services will be alleyway collection unless there is no alleyway available to the Residence.

Collections from commercial and industrial premises using bulk containers shall be at such frequency as is necessary to provide the services required by the customer, but not less than once per week. Collection Services shall include collection of Recyclables and Green Waste. Collections shall be made between the hours of 6:00 a.m. and 6:00 p.m., Monday through Friday, unless the Director authorizes a temporary extension of hours. Contractor shall offer containers to the City's commercial and industrial customers ranging from 1 to 6 cubic yards, including 1 ½, 2, 3 and 4 cubic yards. During the first ninety (90) days of the Term, Contractor will meet with every commercial and industrial customer to obtain the needed information to perform a right-size analysis for each commercial and industrial customer. Prior to expiration of said ninety (90) day period, Contractor shall provide City with a right-sizing report identifying Contractor's analysis, findings and recommendations for the right-sizing of all commercial and industrial customers. Contractor and City will then discuss any necessary recommendations and potential changes to the agreed upon rate structure to promote efficiency, cost savings, and increased recycling.

The Contractor will divide the collection service area into areas or routes in a manner that spreads collections over the workweek. Collections shall be made from Residences on a regular schedule on the same day every week. It is the City's intent to give residents the ability to place all containers out for collection on their designated collection day. Contractor will make all necessary arrangements, including advertising and promoting any required changes in order to facilitate a smooth transition with minimal customer disturbance.

The Contractor shall identify, on a collection map furnished by the Director, the day of the week Solid Waste, Recyclables and Green Waste shall be collected from each area or route. The Contractor shall clearly delineate on the collection map its collection areas, Residential routes, commercial routes and industrial routes and shall return such map to the Director prior to beginning service under this Agreement, and shall update such map as necessary, or at the Director's request. With the prior written approval of Director, the Contractor may change the day of collection by giving written notice to the Director and the customers affected at least sixty (60) calendar days prior to the effective date of such change. The form of notice to the customers shall be subject to the prior approval of the Director.

a. Deferred, Rescheduled and Missed Collections. When disruption beyond the Contractor's control prevents collection on a scheduled day, the Contractor shall make collection on the earliest succeeding workday when collection becomes possible. If such conditions continue for an entire collection cycle, or more, the Contractor shall collect all the Solid Waste amassed for collection as soon as possible.

If for any reason other than the reasons identified in this Section 3.a., Contractor fails to collect a customer's Solid Waste, Recyclables and Green Waste during a regular collection period, the Director, at his option may:

(i) Require the Contractor to make a special make-up collection within twenty-four (24) hours after verbal direction is given by the Director; such collection shall include excess Solid Waste, Recyclables and Green Waste accumulated during the interval between the scheduled collection day and the special collection day; or

(ii) Authorize the Contractor to defer the collection and authorize the customer to place the entire amount of customer's Solid Waste, Recyclables and Green Waste for collection on the customer's next scheduled collection day without any additional charge, and, to accommodate such disposal, allow the customer to use bags or temporary containers as well as additional bundles.

b. Holidays. The City observes the following legal holidays: New Years Day, Martin Luther King Day, Presidents Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, day after Thanksgiving and Christmas Day.

The Contractor shall work with the City to identify existing non-collection days due to holidays. It is the City's intent to keep the existing pickup schedule in place. When a holiday is observed on a scheduled collection day, that day's collection and the remaining week's collection shall be collected one (1) day later. The rescheduled day shall be considered a workday. On or before January 15th of each year during the Term, the Director shall notify the Contractor of any change in the City legal holidays.

4. Employees. Contractor will give preference in employment to qualified residents of the City on all Services to be performed under this Agreement. The employees of Contractor shall be courteous at all times, not use loud or profane language, and do their work as quietly as possible. While providing the Services, all employees of the Contractor shall be required to wear a uniform supplied by the Contractor and approved by the Director bearing the Contractor's and employee's name.

While providing the Services, Contractor's employees shall follow the regular walks for pedestrians while on private property. They shall also replace all garbage cans and covers and close all gates opened by them. Employees shall not trespass, loiter or cross property to adjoining properties.

Contractor shall prohibit any drinking of alcoholic beverages or use of controlled substances by its employees while on duty or in the course of performing the Services under this Agreement. If an employee of the Contractor is found to be under the influence of alcohol or a controlled substance while on duty or in the course of performing Services under this Agreement, the Contractor shall immediately remove the employee from the employee's duties in the City.

The Contractor shall designate an individual to act as the contact person in all matters concerning the performance of the Services by Contractor's employees and provide the Director with the contact information for such person.

5. Loading. Care shall be taken in the loading and transporting of Solid Waste, Recyclables and Green Waste so none of the material collected is scattered or spilled either on private property or on streets or alley ways. Should any materials be spilled, it shall be immediately cleaned up by Contractor's employees. A rake, broom and a shovel shall be carried on each truck at all times for this purpose. If the Contractor fails to clean up spilled waste and recyclables within four (4) hours after verbal notice by the Director, City may elect to perform the clean-up and the City shall deduct the total amount of costs and expenses for the clean-up, as determined by the City, from the monthly payments due the Contractor under this Agreement.

6. Emergency Collections. The Contractor shall provide special collections when Solid Waste, Recyclables or Green Waste have not been collected during the regular collection schedule. Special collections for missed collections shall be made by the Contractor when ordered by the Director at no additional cost to the City or the customer. If the Contractor fails to provide a special collection for missed collection within twenty-four (24) hours of verbal notification by the Director, City may elect to perform such special collection and the City shall deduct from the monthly payments due the Contractor all fees costs and expenses incurred by the City to perform such special collection.

7. Solid Waste, Recyclables and Green Waste Collection Vehicles and Containers. The vehicles used to collect Solid Waste, Recyclables, Green Waste and the containers for the storage and collection of Solid Waste, Recyclables and Green Waste must satisfy the following requirements.

a. Collection Trucks. The Contractor shall provide and maintain during the entire Term of this Agreement:

(i) A fleet of packer collection vehicles, properly licensed and in sufficient numbers and capacity to effectively perform the Services required by Contractor under this Agreement. Contractor shall provide evidence of its ability to furnish reserve vehicles and personnel under breakdown, lay-off or labor strike conditions. Each collection vehicle shall be powered only by natural gas and be kept in a sanitary and clean condition at all times, and to insure compliance herewith, the City reserves the right to inspect the Contractor's collection vehicles during business hours upon reasonable advance notice to ascertain said sanitary and clean condition. Contractor shall make sure all vehicles are powered by natural gas by the end of the first year of service.

(ii) The Contractor shall keep all collection vehicles well painted and washed. Vehicles shall be completely washed on the outside at least once every week.

(iii) All collection vehicles shall be equipped at all times with a rake, a shovel and a broom for cleanup and collection of spilled Solid Waste, Recyclables and Green Waste.

(iv) The Contractor shall keep the Director informed as to the storage location of the collection vehicles so that regular inspections of the collection vehicles may be made by the City.

(v) All collection vehicles shall be capable of collecting Solid Waste, Recyclables and Green Waste from detachable containers or bins and automatic Residential containers.

(vi) The maximum noise level of the collection vehicles during travel and while compacting Solid Waste, Recyclables or Green Waste shall comply with all City Ordinances and applicable provisions of the City Municipal Code.

(vii) The Contractor shall provide the Director with an inventory showing each collection vehicle (type, capacity, approximate age) used for performing Services under this Agreement. The Contractor may change equipment from time to time and shall revise the inventory and the attachments thereto, accordingly and provide such revised inventory to the Director.

(viii) The Contractor shall provide the Director the name and location of the service yards or contractors used by Contractor in maintaining the collection vehicles and equipment.

b. Detachable Containers. Only rubber or plastic containers shall be used for the storage and collection of Solid Waste, Recyclables and Green Waste. Rubber, plastic or metal containers shall be used for commercial or industrial Solid Waste, Recyclables and Green Waste. The Contractor shall furnish

properly-sized detachable containers to each customer.

The Contractor shall maintain a minimum inventory of 5 percent (5%) of extra properly-sized detachable containers available for placement or replacement. Contractor agrees to provide (original delivery) containers at no additional cost and to replace lost or damaged containers up to one replacement per year per customer at no cost. Replacement value for plastic containers shall be determined by the actual cost of the container and associated delivery and assembly expenses.

Payment to the Contractor for furnishing the detachable containers shall be included in the applicable unit price listed on Exhibit "A" for each container size.

All commercial and industrial detachable containers supplied by the Contractor shall be kept clean, sanitary and free of graffiti. Containers shall be steam cleaned from time to time or when requested by the Director or customer, but not exceeding Twice (2) times per year without an additional cost to the customer or City. Containers may be exchanged at the request of a customer up to a single time per year without additional cost to the customer or City.

All detachable containers furnished under this Agreement shall be uniform in color and design. All rubber, plastic or metal containers delivered under this Agreement shall also bear the Contractor's name and telephone number.

8. Administration.

a. Record Keeping. Contractor shall maintain a complete and accurate record of all Services delivered under this Agreement, including, without limitation, Services rendered, materials generated, quantity and types of Services requested and performed. In addition, Contractor will log all complaints and service requests and identify how and when said complaints and requests were resolved.

b. State and Local Mandated Reporting. Contractor shall maintain accurate and complete records and reports relating to the amount of Solid Waste, Recyclable materials and Green Waste collected under this Agreement, including, without limitation, C&D material, to satisfy any and all Federal, State and local required diversion and disposal reporting requirements. Upon City's request, Contractor will submit on behalf of City, all records and reports required by any Federal, State and local agency required to satisfy any diversion and disposal reporting requirements.

9. Sites and Methods of Disposal.

a. Disposal Sites. The Contractor shall deliver all Solid Waste, Recyclables and Green Waste collected under this Agreement to facilities fully permitted by applicable Federal, State and local agencies.

b. Disposal Fees. All disposal fees shall be paid by the Contractor.

c. Ownership of Solid Waste, Recyclables and Green Waste. Solid Waste, Recyclables and Green Waste collected shall be the property of the Contractor, subject to the right of a customer to claim lost property of value. Hazardous material illegally placed in Solid Waste, Recyclables or Green Waste containers shall remain the property of those who generated the material and they shall be responsible for all costs associated with the proper handling and or disposal of said material.

d. Scavenging. Contractor's employees shall not "scavenger" within City limits. Scavenging means sorting through Solid Waste, Recyclables or Green Waste collected, looking for items of possible

value or picking out individual pieces for reuse while loading or unloading. Contractor's employees may allow customers to search for valuables accidentally misplaced or that may be lost in a container.

e. Special Collection and Extra Service. The Director or the customer may order special collections of Solid Waste, Recyclables and Green Waste to be made from any premises in the City and the Contractor shall make a special collection, within twenty-four (24) hours after its receipt of the special collection order, Saturdays, Sundays and holidays excepted. Billing for special collections shall be made by the City and upon collection from the customer shall appear as separate items on the monthly statement to the Contractor.

From time to time the need for additional services as agreed to by the City and Contractor in accordance with the provisions of a change order signed by City and Contractor will be added to Exhibit "A" by addendum.

10. Payments.

a. The Contractor shall pay all amounts owed by the Contractor to the City under this Agreement within thirty (30) calendar days after the date of the City's billing invoice. Should Contractor fail to pay all amounts identified in City's billing invoice within said thirty (30) day period, the City may deduct the amount thereof from monthly payments due the Contractor under this Agreement.

b. The City shall pay all amounts owed by the City to the Contractor under this agreement within thirty (30) calendar days after the date of the Contractor's billing invoice.

11. Contractor Fees. Each month during the Term of this Agreement, the City agrees to bill all customers receiving Services by Contractor under this Agreement. The amount of each such billing shall be based upon the unit price determined in accordance with the provisions of Exhibit "A". The unit prices identified in Exhibit "A" will remain the same, without adjustment, for the first two (2) years of the Term. Commencing on June 30 2016, and on the same day ("**Rent Adjustment Date**") of each year during the Term (including any Extended Term) the unit prices shall be adjusted as follows: (i) by the percent change in the level of the Consumer Price Index for all Urban Consumers (CPI-U), U.S. City Average, all items, not seasonally adjusted, 1982-1984=100 ("**CPI Index**") between the CPI Index for the month of May of the prior year and the CPI Index for the month of May immediately before the Rent Adjustment Date ("**CPI Adjustment**").

In the case of special collection services, the Contractor shall notify the City in writing of the special collection services supplied to the customer and location of such services upon a form supplied by the City. All special collection service information received by the City by the fifteenth (15th) of each month shall appear on the customer's next billing statement. A list of each special collection service billing showing the name of the customer and billing amount will be supplied to the Contractor after each billing.

The City, upon issuing the customer billings for Solid Waste, Recyclables and Green Waste collection services, including, without limitation, special collection services and other services billed to customers, and upon receiving payment therefore from customers, shall deduct therefrom the sums identified in the Agreement for the Franchise Fees due the City, and any other deductions and offsets allowed under this Agreement, and the balance shall be deposited in the refuse fund for accumulation and payment to the Contractor. The Contractor's portion of such collections shall be paid not less frequently than monthly.

Contractor acknowledges and agrees Contractor's charges to the City as identified on Exhibit "A" to this Agreement includes any and all fees, expenses and costs necessary to perform the Services, including, without limitation, refuse disposal fees, equipment, labor, materials and taxes. No additional

compensation or reimbursement of fees, costs or expense are payable to Contractor.

All sales taxes, excise taxes, disposal fees or other fees and taxes assessed in connection with Contractor's performance of the Services under this Agreement will be paid by the Contractor.

The parties acknowledge that there may be a change in the law, change in service level or other infrequent extraordinary event (collectively, "Extraordinary Event") which, although not preventing either party from performing their respective obligations under this Agreement, and thus not subject to the Force Majeure provisions of this Agreement, nevertheless substantially increases the cost of providing Contractor services under this Agreement such that Contractor's compensation even with the annual rate adjustment formula set forth in subsection (a) above, results in Contractor suffering losses which substantially exceed the commercially reasonable expectations of the parties. Accordingly, should an Extraordinary Event occur, Contractor at its option, may apply to the City, not more frequently than once annually, for a rate adjustment should the Extraordinary Event substantially and negatively impact the economic operation of Contractor. An interim adjustment in rates will be justified if: (i) as a result of a change in law, the City is required to increase the service level under this Agreement which increases the cost of providing Contractor services under this Agreement; or (ii) City, without a change in the law, elects to increase the service level under this Agreement which increases the cost of providing Contractor services under this Agreement. In the event of such an application for an Extraordinary Event rate increase, it is understood that the Contractor shall have the burden of demonstrating to the City how the Extraordinary Event substantially increases the cost of providing Contractor services under this Agreement and substantially and negatively impacts the economic operation of the Contractor and the basis for the amount of the rate adjustment.

12. Franchise Fee. As additional consideration for receiving the exclusive franchise to provide the Services identified in this Agreement, the Contractor will pay to the City a contract execution fee and a franchise fee as identified below. The franchise fee will be deducted from all payments received by the City from Residential, Commercial and Industrial customers for the Services provided by Contractor under this Agreement and retained by the City for the specified service as listed under **Exhibit "A"**.

a. Contract Execution Fee of Thirty-Five Thousand Dollars (\$35,000.00) paid by Contractor to City on the date of City's execution of this Agreement. The Contract Execution Fee and will be deposited into the City's general fund and is in addition to the franchise fee identified in subsection 12.b. below.

b. Franchise Fee ("**Franchise Fee**") equal to Fifteen Percent (15%) of amounts collected from Residential, Commercial, Industrial customers to pay the City's estimated costs of administering the Services supplied to the Contractor including, without limitation, City's liability insurance, and other associated costs and expenses.

If Proposition 218 is applicable to the City's Solid waste, recyclables or Green Waste collection fees, and if any proposed Contractor fee increase provided for by this Agreement would require an increase in the City's Solid Waste, Recyclables and Green Waste collection fees, such Contractor fee increase will become effective only if the increase in the City's Solid Waste, Recyclables and Green Waste collection fees is approved in accordance with Proposition 218.

13. Contractor to Make Examination. The Contractor has made its own examination, investigation and research regarding the proper method of performing the Services, and all conditions affecting the Services, and the labor, equipment and material needed, and the quantity of Services to be performed. The Contractor agrees that it has satisfied itself by its own investigation and research regarding all of such conditions, and that its decision to enter into this Agreement is based solely upon Contractor's own

investigation and research, and not upon any estimates, statements or interpretations made by any official, officer or employee of the City.

The Contractor assumes the risk of all conditions foreseen or unforeseen and will provide the Services without additional compensation under whatever circumstances may develop other than as provided in this Agreement.

14. Verbal Agreements. No verbal statements or conversations with any official, officer, agent or employee of the City, either before or after execution of this Agreement, shall affect or modify any of the terms or obligations contained in this Agreement. Any such verbal statement or conversation shall be considered as unofficial information and in no way binding upon the City or the Contractor.

15. Quantities Furnished to Contractor. It is understood that the quantity of required Services under this Agreement (residential, commercial and industrial) that now exist may change from time to time. The Contractor's cost of Services and amounts paid on a monthly basis will increase or decrease based upon the actual number of containers in use at the time.

16. Permits and Licenses. Contractor and its employees shall hold and keep available for inspection by the City valid and current permits, licenses, certificates and other documents as are required by all applicable Federal, State, County, City and other governmental or regulatory bodies to legally engage in the Services provided under this Agreement, including, without limitation, a business license from the City. Contractor shall notify City in writing within twenty-four (24) hours following any suspension, termination, lapse, non-renewal or restriction of any required license(s), certificate(s) or other document(s).

The Contractor shall protect public and private utilities whether occupying public or private property. If such utilities are damaged by reason of the Contractor's operations, Contractor shall repair or replace same, or, failing to do so promptly, the City may elect to make such repairs or replacement and shall deduct from monthly payments due the Contractor any and all costs, expenses and fees incurred by City in making such repairs or replacements.

17. No Assignment or Subletting of Agreement. Performance of the Services, and Contractor's performance of other obligations and responsibilities of Contractor under this Agreement shall not be assigned or subcontracted by Contractor to any other entity(ies) or person(s), either voluntarily or by operation of law without the prior written consent of City. The City's grant of the exclusive franchise to Contractor is based upon Contractor's response to the RFP and the factors identified in Recital E. of this Agreement. Therefore, the City may withhold its consent to such assignment or subcontracting in its sole discretion. However, Contractor may assign its rights, obligations and responsibilities under this Agreement to a wholly owned subsidiary or to its parent company without City's prior written consent following not less than sixty (60) days prior written notice by Contractor to City of such assignment accompanied by copies of all documents relating to such assignment, but only if Contractor expressly agrees in such notice and assignment documents to continue to be obligated to perform all the Services, and all of Contractor's obligations and responsibilities under this Agreement. Such assignment will not be effective until the assignee executes an agreement, in a form acceptable to City, wherein such assignee agrees to be bound by all the terms and conditions of this Agreement. Any approved or allowed assignment under this Section 17 will not relieve Contractor from the performance of all Contractor obligations and responsibilities under this Agreement.

18. Contractor Employees. All Contractor employees shall be competent and skilled in the performance of the Services to which they may be assigned. Failure or delay in the performance of this Agreement due to the Contractor's inability to obtain employees of the number and skill required shall

constitute a material breach of the Agreement, if such failure is not cured within the cure period identified in Section 25 of these Specifications.

If any employee of Contractor shall refuse or neglect to obey a request of the Director, or in the reasonable opinion of said Director, shall be considered incompetent, disorderly, intoxicated or otherwise unsatisfactory, such employee shall, upon the request of the Director, be at once, removed from performing the Services.

19. Complaints. The City will notify the Contractor of each complaint reported to the City. It shall be the duty of the Contractor to take whatever reasonable steps are necessary to remedy the complaint. Failure to remedy the complaint within one (1) business day after it is reported to the Contractor by the City shall constitute a material breach of this Agreement by the Contractor. Should the Contractor fail to remedy the complaint within said one (1) business day, City may elect to remedy the complaint and deduct from any monies due or which may become due the Contractor any and all fees, costs, expenses and other amounts incurred by City to remedy the complaint. City's election to remedy the complaint does not constitute any waiver of Contractor's failure to remedy the complaint or Contractor's material breach of this Agreement.

20. Insurance. The Contractor shall secure and maintain, throughout the Term of this Agreement and subsequent renewals, if any, insurance of such types and amounts listed below. Insurance coverage shall be in a form and issued by a carrier acceptable to City and the Risk Management Authority of which City is a member. All insurance carriers must be licensed to do business in the State of California.

a. Workers' Compensation and Employer's Liability Insurance. This insurance coverage must protect the Contractor against all claims under the Workers' Compensation Law. The Contractor must also insure against claims for injury, disease, or death of employees, which, for any reason, may not fall within the provisions of a Workers' Compensation Law. The liability limits shall not be less than the following:

Workers' Compensation	Statutory Amount
Employer's Liability	\$1,000,000.00 each accident

b. Automobile Liability. Automobile liability insurance covering all vehicles used in the performance of the Services and Contractor's responsibilities and obligations under this Agreement. This insurance limits shall not be less than the following:

Bodily Injury	\$5,000,000.00 each person
Bodily Injury	\$5,000,000.00 each occurrence
Property Damage	\$5,000,000.00 each occurrence

c. General Liability. This insurance shall be written in general comprehensive liability form and shall protect against any and all claims arising from injuries or death to any person or damage to property of others arising out of any act or omission of the Contractor and its officers, employees, agents, representatives and assignees and subcontractors or anyone directly or indirectly employed by Contractor or directly or indirectly any assignee or subcontractor of Contractor. This insurance shall specifically provide Contractor's Protective Liability Insurance and Contractual Liability insurance covering Contractor's indemnity obligations as identified in Section 20 of this Agreement. The general liability limits for this insurance shall be not less than those of a combined single limit policy of \$10,000,000.00.

d. All insurance policies other than the Workers' Compensation policy shall contain, or be endorsed to contain, the following provisions:

(i) City, its officers, employees, agents, representatives and volunteers shall be named as insureds.

(ii) For any claims related to this Agreement, Contractor's insurance coverage shall be the primary insurance with respect to City, its officers, officials, employees, agents, representatives and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees, agents, representatives and volunteers shall be excess of Contractor's insurance coverage and shall not contribute with Contractor's insurance coverage.

(iii) Each such insurance policy required shall be endorsed to state that coverage shall not be canceled for any reason by the insurer or Contractor and the provisions of the policies shall not be amended or modified except after thirty (30) days prior written notice by certified mail, return receipt requested, is given to the City.

Any and all deductible and/or self-insured retention amounts must be approved in advance by the City and subject to demonstration by Contractor of its ability to meet the cash payment requirements for same. Contractor shall furnish City with original certificates and amendatory endorsements effecting the required insurance coverage. The endorsements shall be on forms approved by the City and the Risk Management Authority of which the City is a member, prior to commencement of any Services under this Agreement. City reserves the right to require complete, certified copies of all required insurance policies (including endorsements effecting the required coverage) at any time during the Term of this Agreement.

21. Indemnity. Contractor shall indemnify, defend (with legal counsel acceptable to City) and hold harmless the City and its officers, officials, employees, agents, representatives and volunteers from and against any and all claims, damages, causes of action, losses and expenses, including attorneys' fees, arising out of: (i) Contractor's breach or default in the performance of the Services or any other responsibility or obligation on Contractor's part to be performed under this Agreement; or (ii) caused in whole or in part by any act or omission of the Contractor, or any officer, employee, agent, representative, assignee, subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, to the fullest extent permitted by law.

22. Performance Security. As security for Contractor's satisfactory performance of this Agreement, the Contractor shall provide City on the date of execution of this Agreement by Contractor, with an Irrevocable Performance Standby Letter of Credit ("**Letter of Credit**") in favor of the City in the initial amount of twenty five percent (25%) of the City's estimate of the Contractor's annual gross revenue for the first year of the Agreement, issued by a financial institution acceptable to the City, and prepared in a form acceptable to City. The Letter of Credit shall remain in effect for the Term of this Agreement, or if required by the financial institution issuing the Letter of Credit, renewed on an annual basis before expiration so that a Letter of Credit is always in effect during the Term of this Agreement. The amount of the Letter of Credit shall be adjusted at the request of the City based upon a reasonable projection of the Contractor's annual gross revenue under this Agreement following adjustments to any of the amounts identified on Exhibit "A". The Letter of Credit may be used by City to remedy any breach or default by Contractor under this Agreement and the issuance of the Letter of Credit shall not affect the City's right to exercise any other remedies after a breach or default by Contractor under this Agreement.

23. Payment for Labor and Materials. The Contractor shall perform this Agreement according with the terms and conditions of this Agreement, and shall pay as they become due, all claims for all work and labor to perform the Services and other Contractor obligations under this Agreement, and all materials and equipment purchased for or furnished for the performance of the Services.

24. Local Improvements. The City reserves the right to construct any improvement or to permit any such construction or other work in any street or alleyway in such manner as the City may direct, which may temporarily prevent the Contractor from traveling its accustomed route or routes for collection of Solid Waste, Recyclables and Green Waste. Contractor shall continue to collect the Solid Waste, Recyclables and Green Waste to the same extent as though no interferences existed upon the street or alleyways formerly traveled. Such continued collection of Solid Waste, Recyclables and Green Waste shall be performed by Contractor at no additional cost to City.

25. Default and Termination.

a. Except as otherwise provided in this Agreement, this Agreement may be terminated without cause only by mutual written agreement of the Parties. Either Party may terminate this Agreement for cause by first giving the defaulting Party thirty (30) days written notice ("**Default Notice**") to cure such default. The Default Notice shall identify which event of default claimed by the non-defaulting party. Should the defaulting Party fail to cure the default within thirty (30) days after the date of Default Notice, the other Party may terminate this Agreement for cause by serving the defaulting Party with a written notice of termination ("**Notice of Termination**") not less than thirty (30) days in advance of the effective date of termination. The Notice of Termination shall identify the effective date of termination. Once given, a Notice of Termination may be modified or withdrawn at the discretion of the Party giving the Notice of Termination. "Cause" for termination means the other Party's breach of any term or condition of this Agreement. If the Contractor believes a Default Notice issued by the City is without merit, the Contractor may appeal the issuance of the Default Notice to the City Council. A written notice of appeal ("**Appeal Notice**") specifying the basis for the appeal must be filed with the City Clerk within seven (7) days after the date of the Default Notice ("**Appeal Period**"). If the last day of the Appeal Period falls on a Saturday, Sunday or City holiday, the last day of the Appeal Period will be the Friday before the Saturday or Sunday or the day before the City holiday. Upon receipt of the Appeal Notice the City Clerk shall schedule an appeal hearing on the agenda of the next regular City Council meeting. Contractor will be provided with notice of the appeal hearing in accordance with the provisions of Section 5 of this Agreement. The City Council may sustain, modify or overrule the Default Notice. The decision of the City Council will be binding upon the Contractor and the City. The failure of Contractor to provide the Appeal Notice to the City Clerk within the time period identified in this Section 25, shall constitute Contractor's waiver of its right to an appeal hearing before the City Council regarding such Default Notice.

b. In no event shall any payment by City or acceptance by Contractor constitute a waiver by such Party of any such breach or default of this Agreement which may then exist on the part of either Party. No such payment or acceptance shall impair or prejudice any remedy available to either Party with respect to any breach or default. City shall have the right to demand of Contractor the repayment to City of any funds disbursed to Contractor while Contractor was in breach or default under this Agreement.

c. If the Contractor, for any reason, fails to perform any of the Services to be performed by Contractor under this Agreement for any period, with the result that any portion of the scheduled collections are not completed within a given calendar week, the Contractor shall not be paid for the Services not performed. Whenever such failure occurs, the City shall deduct, for such nonperformance, an amount from the Contractor's next monthly payment(s), which amount shall be based on the number of accounts from which collection of Solid Waste, Recyclables or Green Waste collection have not been made and the unit price applicable to each type of collection affected by such failure.

26. Independent Contractor. In performance of the Contractor's Services and other responsibilities and obligations under this Agreement, it is mutually understood and agreed the Contractor, including any and all of the Contractor's officers, employees, agents, representatives, assigns, subcontractors, and

anyone directly or indirectly employed by any of them, at all times, be acting and performing as an independent contractor, and shall act in an independent capacity and not as an officer, agent, servant, employee, joint venture, partner, or associate of the City.

Because of its status as an independent contractor, Contractor shall be solely responsible and shall indemnify, defend and hold City and its officials, officers, employees, agents, representatives and volunteers harmless from all matters relating to payment of Contractor's employees, including, without limitation, compliance with withholding and all other regulations governing such matters.

Exhibit "A"

**CITY OF KINGSBURG
RESIDENTIAL, COMMERCIAL AND INDUSTRIAL
SOLID WASTE AND RECYCLABLES COLLECTION FRANCHISE
AGREEMENT**

**CONTRACTOR'S SCHEDULE OF FEES CHARGED TO
CITY FOR RELATED DISPOSAL, ORGANIC/GREEN WASTE
AND RECYCLING SERVICES**

All rates will include 15% franchise fee (not included below).

	Monthly Rate
Residential Service	
96 Gallon Solid Waste (Inc 96 gallon for Organics/Green Waste and 96 Gallon for Recycling)	\$ 15.25
64 Gallon Solid Waste - Senior and Disabled Veterans Discount (Inc 96 gallon for Organics/Green Waste and 96 Gallon for Recycling)	\$ (1.00)
Additional Residential Containers	
96 Gallon Container - Solid Waste:	\$ 7.00
96 Gallon Container - Organic/Green Waste	\$ 4.00
96 Gallon Container - Recycling	\$ 2.00
Return Charges:	
No charge for the first return, if customer is at fault. For all other returns due to customer negligence, Contractor may charge according to the Extra Pick-up schedule according to container size.	
Container Delivery Charges	\$ 25.00 each
No charge to set up service	
Container Replacement Charges	
64 Gallon Container:	\$ 55.00 each
95 Gallon Container:	\$ 65.00 each
Customer will not be charged for the first replacement of lost, destroyed or stolen containers. If negligent thereafter customer following may be	
Container Services	
Cleaning/Sanitizing:	
a. 1st occurrence ea.	\$ 55.00 each
b. 2nd occurrence ea.	\$ 55.00 each
Extra Pick-up	
64 Gallon Container:	\$ 5.25 each
95 Gallon Container:	\$ 5.25 each
Tires: Collection and Disposal	
Passenger Car Tires	\$ 8.00 each
Truck Tires	\$ 15.00 each
Tractor Tires	\$ 45.00 each

Contamination Charges

A charge may be applied when customer fails to correct or respond to "Warning" for improperly separating refuse from organic and recyclable materials

First Warning:	\$	0.00	each
Second Warning:	\$	20.00	each
Third Warning:	\$	35.00	each
Fourth and each Addl.	\$	50.00	each

One time set up fee

Special Events/Pick-up

95 Gallon Container:	\$	20.00	each
3 Yard Bin:	\$	125.00	each
Delivery	\$	30.00	each

Green Waste Drop-off Fee: City Use Only 1/2 ton trucks and 16ft and under trailers only

\$ 35.00 ton

Local Residential and Schools:

\$ 35.00 ton

Local Commercial w/Residential:

\$ 35.00 ton

Bulky Items – Curbside Collection (3 items or less not to exceed 500 pounds)

1st occurrence	\$	75.00	each
2nd occurrence	\$	75.00	each
3rd occurrence	\$	75.00	each

Items in excess of allowable:

Minimum charge	\$	25.00	each
Maximum charge	\$	125.00	each

Monthly Rate

Container Size	Pick-up Per Week					
	1	2	3	4	5	6
96 Gallon	17.00	30.00	45.00			
1 Yard Bin		51.35	83.40	149.90	164.90	216.10
2 Yard Bin	66.35	89.95	141.35	192.45	243.95	295.25
3 Yard Bin		129.45	199.00	270.50	329.40	410.70
4 Yard Bin		168.85	228.40	308.70	417.05	563.35
6 Yard Bin	135.10	270.60	398.50	526.40	358.10	789.75
Commercial Locking Devices	25.00					

Return Charges:

Container Delivery Charges	45.00 each
No charge to set up service	
Container Replacement Charges	

Customer will not be charged for the first replacement of lost, destroyed or stolen containers.
If negligent thereafter customer following may be charged the following replacement values

96 Gallon	65.00
1 Yard Bin	385.00
2 Yard Bin	425.00
3 Yard Bin	520.00
4 Yard Bin	680.00
6 Yard Bin	750.00

Container Services

Cleaning/Sanitizing:	
a. 1st occurrence ea.	75.00
b. 2nd occurrence ea.	75.00

Extra Pick-up

95 Gallon Container:	5.25
One Yard Bin:	32.50
Two Yard Bin:	47.50
Three Yard Bin:	67.50
Six Yard Bin:	97.00

Contamination Charges

A charge may be applied when customer fails to correct or respond to "Warning" for improperly separating refuse from organic and recyclable materials

First Warning:	-
Second Warning:	25.00
Third Warning:	50.00
Fourth and each Addl.	75.00

CITY OF KINGSBURG
Summary of Enterprise Funds

2019/20 Fiscal Year Budget

		Water Fund	Solid Waste Fund	Ambulance /Fire Fund	Total
Actual Fund Balance,	June 30, 2018	10,172,474	(332,496)	(1,460,904)	8,379,073
Estimated Beginning Fund Balance,	June 30, 2019	10,047,830	(331,618)	(1,503,541)	8,212,671
Revenues:					
	Charges for Service	2,116,000	1,883,387	3,016,822	7,016,209
	Meter Project	210,000			210,000
	Penalty Charges	66,000	46,800		112,800
	Interest	-			-
	Grants			935,000	935,000
	Miscellaneous	-	1,500		1,500
	Water Meter Sales	-			-
	Donations			-	-
	Transfers in from Other Funds			690,988	690,988
	Total Revenue	2,392,000	1,931,687	4,642,810	8,966,496
Expenses:					
	Wages and Benefits	547,074	211,221	1,301,124	2,059,418
	Office Supplies	35,000	24,000	3,700	62,700
	Department Tools and Supplies	10,000	3,500	46,500	60,000
	Utilities/Communications	254,000	3,800	42,850	300,650
	Fuel/Veh Maint	18,000	-	55,500	73,500
	Water System Maintenance	100,000			100,000
	Office & Equipment Maintenance	-		16,500	16,500
	System/Computer Maintenance		-		-
	Write offs/Write downs	-	-	2,295,440	2,295,440
	Insurance	36,244	29,163	54,975	120,382
	Professional Services	100,000	-	24,000	124,000
	Professional Services - Refuse		1,361,155		1,361,155
	SGMA Fees	-			-
	Groundwater Recharge	250,000	-		250,000
	Franchise Fees		78,000		78,000
	Conf/Mtgs/Travel/Train-Ed/Dues	3,000	-	23,000	26,000
	Memberships/Dues			3,000	3,000
	Audit	27,285	15,000		42,285
	IGT Expense		-	523,000	523,000
	Depreciation	315,000	4,834	150,310	470,144
	Safety Equipment/Fire Prevention		-	2,500	2,500
	Reserve Uniform		-	6,200	6,200
	Transfer Out-Overhead	320,000	200,000	-	520,000
	Total Maintenance & Operations	1,468,529	1,719,452	3,247,475	6,435,456
	Debt Service	93,810	-	65,988	159,798
	Water Meters	50,000			50,000
	SCADA System Upgrade	40,000			40,000
	Computer Replacements	3,000		-	3,000
	Commercial Water Meters	-			-
	2-Ford F-150 Trucks	32,000			32,000
	System Maintenance	60,000			60,000
	Update IT-Network Switches	-			-
	Explore Office Space	-			-
	Chlorination Equipment	650,000			650,000
	Well #12 Pipelines	-			-
	Well #13 Treatment Facility	2,500,000		-	2,500,000
	Well #12 Treatment Facility	2,500,000		-	2,500,000
	FD Chief's Vehicle Replacement			-	-
	Power Saws			-	-
	Update Furniture at Station (#1/#2)			-	-
	Total Capital Outlay	5,835,000	-	-	5,835,000
	Total Transfers Out	190,988	-	-	190,988
	Total Expenses	8,135,401	1,930,673	4,614,586	14,680,660
	Net Result	(5,743,401)	1,014	28,223	(5,714,164)
Projected Ending Fund Balance,	June 30, 2020	4,304,430	(330,604)	(1,475,318)	2,498,507



**CITY OF KINGSBURG
ENTERPRISE FUNDS
BUDGET PREPARATION WORKSHEET - REVENUES
FOR FISCAL YEAR 2019/20**

<u>ACCOUNT NUMBER</u>	<u>ACCOUNT DESCRIPTION</u>	<u>FY 15/16</u> <u>ACTUALS</u>	<u>FY 16/17</u> <u>ACTUAL</u>	<u>FY 17/18</u> <u>ACTUALS</u>	<u>FY 18/19</u> <u>BUDGET</u>	<u>PROJECTED</u> <u>YEAR END</u>	<u>FY 19/20</u> <u>PROPOSED</u>	<u>Percent</u> <u>Change</u>
<u>WATER</u>								
318-0000-435-0101	WATER SALES	\$ 2,009,446	\$ 2,022,817	\$ 2,106,169	\$ 2,000,000	\$ 2,139,094	\$ 2,116,000	5.80%
318-0000-435-0108	METER PROJECT	\$ 8,972	\$ -	\$ -	\$ 200,000	\$ 208,396	\$ 210,000	5.00%
318-0000-435-0201	PENALTY CHARGES	\$ 51,908	\$ 54,613	\$ 64,870	\$ 60,000	\$ 66,169	\$ 66,000	10.00%
	TOTAL CHARGES FOR SERVICES	\$ 2,070,327	\$ 2,077,430	\$ 2,171,040	\$ 2,260,000	\$ 2,413,660	\$ 2,392,000	5.84%
318-0000-451-0101	INTEREST	\$ -	\$ 6,754	\$ 24,500	\$ 2,800	\$ -	\$ -	0.00%
318-0000-451-0402	WATER MAINS	\$ 1,732	\$ -	\$ -	\$ -	\$ -	\$ -	
318-0000-451-0403	FIRE HYDRANTS	\$ 539	\$ -	\$ -	\$ -	\$ -	\$ -	
318-0000-451-0404	WATER FACILITIES	\$ 1,023	\$ -	\$ -	\$ -	\$ -	\$ -	
	TOTAL INTEREST	\$ 3,294	\$ 6,754	\$ 24,500	\$ 2,800	\$ -	\$ -	-100.00%
318-0000-462-0100	MISCELLANEOUS	\$ 930	\$ 4,196	\$ 560	\$ 1,000	\$ -	\$ -	-100.00%
318-0000-462-0101	WATER METERS	\$ 7,250	\$ 4,523	\$ 1,330	\$ 1,500	\$ -	\$ -	-100.00%
318-0000-462-0104	TCP TREATMENT	\$ -	\$ -	\$ 5,000,000	\$ -	\$ -	\$ -	
	TOTAL OTHER REVENUE	\$ 8,180	\$ 8,719	\$ 5,001,890	\$ 2,500	\$ -	\$ -	-100.00%
	TOTAL, WATER	\$ 2,081,801	\$ 2,092,903	\$ 7,197,429	\$ 2,265,300	\$ 2,413,660	\$ 2,392,000	5.59%
<u>SOLID WASTE</u>								
319-0000-422-0201	RECYCLING BEV CONT	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	0.00%
	TOTAL FED/STATE GRANTS	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	0.00%
319-0000-435-0102	REFUSE CHARGES	\$ 1,485,946	\$ 1,503,627	\$ 1,523,937	\$ 1,523,650	\$ 1,530,499	\$ 1,538,887	1.00%
319-0000-435-0103	RECYCLING CHARGES	\$ 188,207	\$ 198,136	\$ 203,836	\$ 205,000	\$ 199,712	\$ 200,000	-2.44%
319-0000-435-0104	STREET SWEEPING CHARGES	\$ 134,800	\$ 136,678	\$ 137,043	\$ 138,700	\$ 139,465	\$ 139,500	0.58%
319-0000-435-0202	REFUSE PENALTY	\$ 32,135	\$ 28,289	\$ 31,600	\$ 31,800	\$ 38,621	\$ 38,500	21.07%
319-0000-435-0203	RECYCLING PENALTY	\$ 3,417	\$ 3,017	\$ 3,829	\$ 3,800	\$ 4,460	\$ 4,500	18.42%
319-0000-435-0204	STREET SWEEPING PENALTY	\$ 2,663	\$ 2,457	\$ 2,863	\$ 2,800	\$ 3,777	\$ 3,800	35.71%
319-0000-435-0301	PM 10 CREDITS	\$ 5,834	\$ 2,717	\$ 1,572	\$ 1,500	\$ 1,500	\$ 1,500	0.00%
	TOTAL CHARGES FOR SERVICES	\$ 1,853,002	\$ 1,874,921	\$ 1,904,680	\$ 1,907,250	\$ 1,918,033	\$ 1,926,687	1.02%
319-0000-451-0101	INTEREST	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	TOTAL, SOLID WASTE	\$ 1,858,002	\$ 1,879,921	\$ 1,909,680	\$ 1,912,250	\$ 1,923,033	\$ 1,931,687	1.02%
<u>FIRE/AMBULANCE</u>								
320-0000-422-0302	HOMELAND SECURITY	\$ -	\$ 3,711	\$ -	\$ -	\$ -	\$ -	
320-0000-422-0303	FEMA GRANT	\$ -	\$ 168,394	\$ 16,426	\$ -	\$ -	\$ -	
320-0000-422-0308	OES GRANTS	\$ 106,849	\$ 72,051	\$ 114,112	\$ 62,380	\$ -	\$ -	
320-0000-422-0309	SAFER GRANT	\$ 60,578	\$ -	\$ -	\$ -	\$ -	\$ -	
	TOTAL FED/STATE GRANTS	\$ 167,427	\$ 244,156	\$ 130,538	\$ 62,380	\$ -	\$ -	
320-0000-435-0105	AMBULANCE CHARGES	\$ 2,286,922	\$ 2,561,520	\$ 2,373,456	\$ 2,300,000	\$ 2,991,322	\$ 2,998,822	30.38%
320-0000-435-0106	FIRE MED	\$ 18,425	\$ 20,114	\$ 18,095	\$ 18,000	\$ 18,270	\$ 18,000	0.00%
320-0000-435-0107	GEMT	\$ 56,021	\$ 37,268	\$ 54,029	\$ 29,824	\$ 34,426	\$ 35,000	
320-0000-435-0109	IGT	\$ 783,384	\$ 1,185,785	\$ 1,392,513	\$ 747,000	\$ 971,000	\$ 900,000	20.48%
	TOTAL CHARGES FOR SERVICES	\$ 3,144,752	\$ 3,804,687	\$ 3,838,092	\$ 3,094,824	\$ 4,015,018	\$ 3,951,822	27.69%
320-0000-460-0101	HOSPITAL DIST CONTRIBS	\$ -	\$ -	\$ 249,999	\$ 115,000	\$ 126,505	\$ -	
320-0000-462-0100	MISCELLANEOUS	\$ 30,981	\$ (5,379)	\$ 627	\$ -	\$ 5,037	\$ -	
320-0000-462-0210	FROM OTHER AGENCIES	\$ -	\$ -	\$ 572	\$ -	\$ 858	\$ -	
	TOTAL OTHER REVENUE	\$ 30,981	\$ (5,379)	\$ 251,199	\$ 115,000	\$ 132,400	\$ -	
320-0000-471-0101	FROM OTHER FUNDS	\$ 183,483	\$ 177,622	\$ 185,788	\$ 121,274	\$ 188,438	\$ 190,988	57.48%
320-0000-471-0110	FROM GENERAL FUND	\$ 765,000	\$ 365,000	\$ 161,000	\$ 350,000	\$ 400,000	\$ 500,000	42.86%
320-0000-471-0111	FROM IMPACT FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	TOTAL TRANSFERS IN	\$ 948,483	\$ 542,623	\$ 346,788	\$ 471,274	\$ 588,438	\$ 690,988	46.62%
	TOTAL, FIRE/AMBULANCE	\$ 4,291,642	\$ 4,586,086	\$ 4,566,618	\$ 3,743,478	\$ 4,735,856	\$ 4,642,810	24.02%
	TOTAL FED/STATE GRANTS	\$ 172,427	\$ 249,156	\$ 135,538	\$ 67,380	\$ 5,000	\$ 5,000	
	TOTAL CHARGES FOR SERVICES	\$ 7,068,081	\$ 7,757,038	\$ 7,913,812	\$ 7,262,074	\$ 8,346,711	\$ 8,270,509	
	TOTAL INTEREST	\$ 3,294	\$ 6,754	\$ 24,500	\$ 2,800	\$ -	\$ -	
	TOTAL OTHER REVENUE	\$ 39,160	\$ 3,341	\$ 5,253,089	\$ 117,500	\$ 132,400	\$ -	
	TOTAL TRANSFERS IN	\$ 948,483	\$ 542,623	\$ 346,788	\$ 471,274	\$ 588,438	\$ 690,988	
	TOTAL, ENTERPRISE FUNDS	\$ 8,231,445	\$ 8,558,911	\$ 13,673,727	\$ 7,921,028	\$ 9,072,549	\$ 8,966,496	13.20%
	Revenues	\$ 8,231,445	\$ 8,558,911	\$ 13,673,727	\$ 7,921,028	\$ 9,072,549	\$ 8,966,496	
	Expenses	\$ 7,577,504	\$ 8,274,545	\$ 8,784,036	\$ 14,046,799	\$ 9,238,951	\$ 14,680,660	
		\$ 653,941	\$ 284,365	\$ 4,889,691	\$ (6,125,771)	\$ (166,402)	\$ (5,714,164)	



**CITY OF KINGSBURG
ENTERPRISE FUNDS
BUDGET PREPARATION WORKSHEET - EXPENSES
FOR FISCAL YEAR 2019/20**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 15/16 ACTUALS	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 BUDGET	PROJECTED YEAR END	FY19/20 PROPOSED	Percent Change
WATER								
318-5100-549-5101	SALARIES	\$ 318,648	\$ 308,712	\$ 333,704	\$ 340,964	\$ 321,605	\$ 354,401	3.94%
318-5100-549-5102	OVERTIME	\$ 16,860	\$ 19,624	\$ 4,083	\$ 6,500	\$ 3,580	\$ 4,000	-38.46%
318-5100-549-5104	PARTTIME	\$ 2,970	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
318-5100-549-5121	FICA	\$ 27,281	\$ 23,611	\$ 24,798	\$ 25,608	\$ 24,208	\$ 26,251	2.51%
318-5100-549-5123	PERS	\$ 48,963	\$ 51,212	\$ 87,262	\$ 65,101	\$ 59,100	\$ 75,299	15.66%
318-5100-549-5124	PENSION EXPENSE-GASB 68	\$ (174,886)	\$ -	\$ -	\$ -	\$ -	\$ -	
318-5100-549-5125	MEDICAL	\$ 52,028	\$ 56,964	\$ 64,447	\$ 55,563	\$ 57,554	\$ 69,359	24.83%
318-5100-549-5127	WORKERS COMP	\$ 24,369	\$ 27,621	\$ 19,832	\$ 20,367	\$ 14,409	\$ 17,279	-15.16%
318-5100-549-5131	EAP	\$ 2,346	\$ 2,187	\$ 143	\$ 219	\$ 173	\$ 212	-3.20%
318-5100-549-5133	LIFE INSURANCE	\$ -	\$ -	\$ 170	\$ 170	\$ 374	\$ 273	60.59%
	TOTAL WAGES & BENEFITS	\$ 318,579	\$ 489,932	\$ 534,440	\$ 514,492	\$ 481,003	\$ 547,074	6.33%
318-5100-549-5201	OFFICE SUPPLIES/POSTAGE	\$ 42,774	\$ 51,165	\$ 29,695	\$ 45,000	\$ 31,600	\$ 35,000	-22.22%
318-5100-549-5210	DEPT TOOLS & SUPPLIES	\$ 39,760	\$ 21,861	\$ 9,632	\$ 17,500	\$ 6,879	\$ 10,000	-42.86%
318-5100-549-5216	COMMUNICATIONS	\$ 522	\$ 650	\$ 4,048	\$ 8,000	\$ 3,499	\$ 4,000	-50.00%
318-5100-549-5218	UTILITIES	\$ 179,140	\$ 229,480	\$ 266,236	\$ 205,000	\$ 244,770	\$ 250,000	21.95%
318-5100-549-5222	VEHICLE MAINTENANCE	\$ 1,576	\$ 1,634	\$ 2,149	\$ 3,500	\$ 2,800	\$ 3,500	0.00%
318-5100-549-5223	WATER SYSTEM MAINT	\$ 136,140	\$ 86,567	\$ 72,209	\$ 100,000	\$ 75,000	\$ 100,000	0.00%
318-5100-549-5224	FUELS	\$ 7,532	\$ 11,007	\$ 12,619	\$ 12,500	\$ 13,500	\$ 14,500	16.00%
318-5100-549-5261	LIABILITY INSURANCE	\$ -	\$ -	\$ 16,200	\$ 20,053	\$ 2,053	\$ 20,426	1.86%
318-5100-549-5262	PROPERTY INSURANCE	\$ -	\$ -	\$ 2,010	\$ 2,844	\$ 2,844	\$ 3,095	8.83%
318-5100-549-5263	VEHICLE INSURANCE	\$ -	\$ -	\$ 518	\$ 518	\$ 1,693	\$ 4,618	791.51%
318-5100-549-5264	ERMA	\$ -	\$ -	\$ 2,847	\$ 4,363	\$ 4,363	\$ 6,384	46.32%
318-5100-549-5265	RISK MGT/RMA ADMIN FEES	\$ -	\$ -	\$ 1,482	\$ 1,759	\$ 1,759	\$ 1,721	-2.16%
318-5100-549-5270	PROFESSIONAL SERVICES	\$ 65,263	\$ 47,220	\$ 198,735	\$ 325,000	\$ 250,789	\$ 100,000	-69.23%
318-5100-549-5273	SGMA FEES	\$ -	\$ -	\$ 58,043	\$ -	\$ -	\$ -	
318-5100-549-5280	GROUNDWATER RECHARGE FEE	\$ (7,660)	\$ 619	\$ 8,539	\$ 195,000	\$ 10,786	\$ 250,000	28.21%
318-5100-549-5291	CONF/MEETINGS/TRAVEL	\$ 1,576	\$ 2,102	\$ 653	\$ 3,000	\$ 2,955	\$ 3,000	0.00%
318-5100-549-5294	AUDIT	\$ 15,700	\$ 23,300	\$ 20,384	\$ 24,100	\$ 27,700	\$ 27,285	13.22%
318-5100-549-5301	DEPRECIATION	\$ 267,545	\$ 461,766	\$ 307,148	\$ 236,119	\$ 310,000	\$ 315,000	33.41%
318-5100-549-5501	TRANSFER OUT-OVERHEAD	\$ 300,000	\$ 320,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 320,000	6.67%
	TOTAL MAINTENANCE & OPERATIONS	\$ 1,049,869	\$ 1,257,373	\$ 1,313,148	\$ 1,504,256	\$ 1,292,990	\$ 1,468,529	-2.38%
318-5100-549-5601	WATER IMP BOND PYMNTS 1991	\$ 22,478	\$ 19,643	\$ 16,605	\$ 13,365	\$ 13,365	\$ 9,923	-25.76%
318-5100-549-5602	SAFE DRINK WATER BOND 1992	\$ 16,195	\$ 14,615	\$ 12,838	\$ 10,863	\$ 10,863	\$ 8,690	-20.00%
318-5100-549-5605	CIEDB WATER IMP LOAN	\$ 74,525	\$ 71,586	\$ 62,057	\$ 60,403	\$ 60,403	\$ 57,515	-4.78%
318-5100-549-5606	CAPITAL LEASE-WATER METERS	\$ 30,106	\$ 26,319	\$ 22,406	\$ 21,749	\$ 21,749	\$ 17,682	-18.70%
	TOTAL DEBT SERVICE	\$ 143,304	\$ 132,163	\$ 113,904	\$ 106,380	\$ 106,380	\$ 93,810	-11.82%
318-5100-549-5701	CAPITAL OUTLAY	\$ (3,886)	\$ 45,167	\$ -	\$ -	\$ -	\$ -	
318-5100-549-5702	WATER METERS	\$ 26,590	\$ -	\$ -	\$ 45,000	\$ 45,000	\$ 50,000	
318-5100-549-5703	SCADA SYSTEM UPGRADE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000	
318-5100-549-5708	COMPUTER REPLACEMENTS	\$ -	\$ -	\$ -	\$ 3,750	\$ 150	\$ 3,000	-20.00%
318-5100-549-5711	COMMERCIAL WATER METERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
318-5100-549-5719	FORD F-150 TRUCK	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,000	
318-5100-549-5720	SYSTEM MAINTENANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60,000	
318-5100-549-5737	2" LINE FROM NAPA TO DRAPER	\$ -	\$ -	\$ -	\$ 56,000	\$ 63,506	\$ -	-100.00%
318-5100-549-5769	UPDATE IT-NETWORK SWITCHES	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ -	-100.00%
318-5100-549-5770	EXPLORE OFFICE SPACE	\$ -	\$ -	\$ -	\$ 20,000	\$ -	\$ -	-100.00%
318-5100-549-5771	CHLORINATION EQUIPMENT	\$ -	\$ -	\$ -	\$ 650,000	\$ -	\$ 650,000	0.00%
318-5100-549-5772	WELL #12 PIPELINES	\$ -	\$ -	\$ -	\$ 485,000	\$ 425,000	\$ -	-100.00%
318-5100-549-5773	WELL #13 TREATMENT FACILITY	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000	0.00%
318-5100-549-5774	WELL #12 TREATMENT FACILITY	\$ -	\$ -	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000	0.00%
	TOTAL CAPITAL OUTLAY	\$ 22,704	\$ 45,167	\$ -	\$ 6,262,750	\$ 536,656	\$ 5,835,000	-6.83%
318-5100-549-5505	TRANSFER TO OTHER FUNDS	\$ 165,483	\$ 159,622	\$ 167,788	\$ 121,274	\$ 121,274	\$ 190,988	57.48%
	TOTAL, WATER	\$ 1,699,938	\$ 2,084,256	\$ 2,129,280	\$ 8,509,152	\$ 2,538,303	\$ 8,135,401	-4.39%
SOLID WASTE								
319-9100-549-5101	SALARIES	\$ 118,678	\$ 125,347	\$ 130,090	\$ 148,443	\$ 138,065	\$ 151,918	2.34%
319-9100-549-5102	OVERTIME	\$ 231	\$ -	\$ -	\$ -	\$ -	\$ -	
319-9100-549-5104	PARTTIME	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
319-9100-549-5121	FICA	\$ 8,517	\$ 9,069	\$ 9,510	\$ 11,538	\$ 10,314	\$ 11,333	-1.78%
319-9100-549-5123	PERS	\$ 15,737	\$ 74,871	\$ 41,921	\$ 29,088	\$ 28,364	\$ 23,091	-20.62%
319-9100-549-5124	PENSION EXPENSE-GASB 68	\$ (39,596)	\$ -	\$ -	\$ -	\$ -	\$ -	
319-9100-549-5125	MEDICAL	\$ 16,052	\$ 18,117	\$ 17,780	\$ 15,776	\$ 19,671	\$ 23,091	46.37%
319-9100-549-5127	WORKERS COMP	\$ 8,807	\$ 11,130	\$ 1,413	\$ 1,451	\$ 1,451	\$ 1,495	3.03%
319-9100-549-5131	EAP	\$ 848	\$ 885	\$ 166	\$ 204	\$ 204	\$ 198	-2.94%
319-9100-549-5133	LIFE INSURANCE	\$ -	\$ -	\$ 138	\$ 138	\$ 138	\$ 95	
	TOTAL WAGES & BENEFITS	\$ 129,274	\$ 239,419	\$ 201,017	\$ 206,638	\$ 198,070	\$ 211,221	2.22%
319-9100-549-5201	OFFICE SUPPLIES/POSTAGE	\$ 35,902	\$ 35,075	\$ 25,306	\$ 24,000	\$ 24,000	\$ 24,000	0.00%
319-9100-549-5210	DEPT TOOLS & SUPPLIES	\$ 3,825	\$ 2,715	\$ 2,373	\$ 4,000	\$ 3,500	\$ 3,500	-12.50%
319-9100-549-5216	COMMUNICATIONS	\$ 370	\$ 32	\$ 43	\$ 8,000	\$ 1,500	\$ 2,000	-75.00%
319-9100-549-5218	UTILITIES	\$ 1,691	\$ 1,756	\$ 1,860	\$ 1,700	\$ 1,700	\$ 1,800	5.88%
319-9100-549-5225	OFFICE EQUIP MAINT	\$ 21,932	\$ -	\$ -	\$ -	\$ -	\$ -	



**CITY OF KINGSBURG
ENTERPRISE FUNDS
BUDGET PREPARATION WORKSHEET - EXPENSES
FOR FISCAL YEAR 2019/20**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 15/16 ACTUALS	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 BUDGET	PROJECTED YEAR END	FY19/20 PROPOSED	Percent Change
319-9100-549-5261	LIABILITY INSURANCE	\$ -	\$ -	\$ 18,790	\$ 18,662	\$ 18,662	\$ 18,833	0.92%
319-9100-549-5262	PROPERTY INSURANCE	\$ -	\$ -	\$ 2,332	\$ 2,646	\$ 2,646	\$ 2,855	7.90%
319-9100-549-5264	ERMA	\$ -	\$ -	\$ 3,303	\$ 4,061	\$ 4,061	\$ 5,888	44.99%
319-9100-549-5265	RISK MGT/RMA ADMIN FEES	\$ -	\$ -	\$ 1,718	\$ 1,637	\$ 1,637	\$ 1,587	-3.05%
319-9100-549-5271	PROF SERV-REFUSE	\$ 1,134,230	\$ 1,161,953	\$ 1,190,165	\$ 1,166,170	\$ 1,210,000	\$ 1,201,155	3.00%
319-9100-549-5272	PROF SERV-ST SWEEPING	\$ 142,460	\$ 151,055	\$ 158,600	\$ 150,000	\$ 158,967	\$ 160,000	6.67%
319-9100-549-5285	FRANCHISE FEES	\$ 58,180	\$ 58,346	\$ 62,717	\$ 60,180	\$ 78,829	\$ 78,000	29.61%
319-9100-549-5291	CONF/MEETINGS/TRAVEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
319-9100-549-5294	AUDIT	\$ 12,070	\$ 5,125	\$ 11,232	\$ 13,750	\$ 13,750	\$ 15,000	9.09%
319-9100-549-5301	DEPRECIATION	\$ 3,263	\$ 4,834	\$ 4,834	\$ 3,754	\$ 4,834	\$ 4,834	28.77%
319-9100-549-5501	TRANSFER OUT-OVERHEAD	\$ 310,000	\$ 280,000	\$ 240,000	\$ 240,000	\$ 200,000	\$ 200,000	-16.67%
	TOTAL MAINTENANCE & OPERATIONS	\$ 1,723,922	\$ 1,700,892	\$ 1,723,273	\$ 1,698,560	\$ 1,724,086	\$ 1,719,452	1.23%
319-9100-549-5701	CAPITAL OUTLAY	\$ 379	\$ -	\$ -	\$ -	\$ -	\$ -	
	TOTAL, SOLID WASTE	\$ 1,853,574	\$ 1,940,311	\$ 1,924,290	\$ 1,905,198	\$ 1,922,155	\$ 1,930,673	1.34%
AMBULANCE								
320-6100-539-5101	SALARIES/FT	\$ 431,044	\$ 502,545	\$ 463,467	\$ 513,790	\$ 502,803	\$ 504,022	-1.90%
320-6100-539-5102	OVERTIME/FT	\$ 126,953	\$ 72,528	\$ 86,393	\$ 70,000	\$ 65,792	\$ 55,000	-21.43%
320-6100-539-5104	PT PCFS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6100-539-5105	RESERVE OFFICERS	\$ 56,508	\$ 25,141	\$ 73,397	\$ 45,000	\$ 23,038	\$ 30,000	-33.33%
320-6100-539-5121	FICA	\$ 51,619	\$ 44,448	\$ 46,715	\$ 39,106	\$ 44,995	\$ 37,869	-3.16%
320-6100-539-5123	PERS	\$ 122,612	\$ (145,130)	\$ 190,051	\$ 142,451	\$ 142,451	\$ 145,889	2.41%
320-6100-539-5124	PENSION EXPENSE-GASB 68	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6100-539-5125	MEDICAL	\$ 56,096	\$ 47,860	\$ 50,381	\$ 62,246	\$ 62,246	\$ 75,953	22.02%
320-6100-539-5127	WORKERS COMP	\$ 34,547	\$ 42,040	\$ 77,400	\$ 79,484	\$ 79,484	\$ 67,747	-14.77%
320-6100-539-5129	UNIFORM ALLOWANCE	\$ 6,840	\$ 6,641	\$ 6,480	\$ 7,200	\$ 8,500	\$ 7,920	10.00%
320-6100-539-5131	EAP	\$ 3,326	\$ 3,499	\$ 346	\$ 362	\$ 362	\$ 269	-25.77%
320-6100-549-5133	LIFE INSURANCE	\$ -	\$ -	\$ 328	\$ 328	\$ 328	\$ 285	-13.06%
	TOTAL WAGES & BENEFITS	\$ 889,545	\$ 599,571	\$ 994,958	\$ 959,967	\$ 930,000	\$ 924,954	-3.65%
320-6100-539-5201	OFFICE SUPPLIES/POSTAGE	\$ 1,507	\$ 1,576	\$ 1,236	\$ 2,000	\$ 2,000	\$ 2,200	10.00%
320-6100-539-5204	SPEC DEPT/LAUNDRY	\$ 6,072	\$ 5,281	\$ 5,584	\$ 5,500	\$ 5,500	\$ 5,500	0.00%
320-6100-539-5210	DEPT TOOLS & SUPPLIES	\$ 31,433	\$ 24,951	\$ 21,044	\$ 22,000	\$ 27,500	\$ 20,000	-9.09%
320-6100-539-5214	PRINTING & ADVERTISING	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6100-539-5215	INSURANCE	\$ 7,409	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6100-539-5216	COMMUNICATIONS	\$ 5,627	\$ 6,035	\$ 5,119	\$ 8,350	\$ 6,500	\$ 8,350	0.00%
320-6100-539-5222	VEHICLE MAINTENANCE	\$ 12,404	\$ 11,422	\$ 3,227	\$ 12,000	\$ 10,000	\$ 12,000	0.00%
320-6100-539-5224	FUELS	\$ 13,344	\$ 14,676	\$ 18,763	\$ 16,000	\$ 19,000	\$ 21,000	31.25%
320-6100-539-5225	OFFICE EQUIP MAINT	\$ 265	\$ -	\$ 43	\$ 500	\$ 281	\$ 500	0.00%
320-6100-539-5226	EQUIPMENT MAINTENANCE	\$ 6,333	\$ 11,103	\$ 7,825	\$ 8,000	\$ 8,000	\$ 8,000	0.00%
320-6100-539-5250	A/R WRITE OFF	\$ 1,596,058	\$ 1,953,361	\$ 1,768,073	\$ 1,225,000	\$ 2,295,440	\$ 2,295,440	87.38%
320-6100-539-5251	A/R WRITE DOWN	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6100-549-5261	LIABILITY INSURANCE	\$ -	\$ -	\$ 31,305	\$ 33,162	\$ 33,162	\$ 25,973	-21.68%
320-6100-549-5262	PROPERTY INSURANCE	\$ -	\$ -	\$ 4,852	\$ 4,703	\$ 4,703	\$ 3,936	-16.30%
320-6100-549-5263	VEHICLE INSURANCE	\$ -	\$ -	\$ 5,012	\$ 2,914	\$ 2,914	\$ 3,023	3.76%
320-6100-549-5264	ERMA	\$ -	\$ -	\$ 6,873	\$ 7,216	\$ 7,216	\$ 8,119	12.51%
320-6100-549-5265	RISK MGT/RMA ADMIN FEES	\$ -	\$ -	\$ 3,578	\$ 2,908	\$ 2,908	\$ 2,189	-24.72%
320-6100-539-5270	PROFESSIONAL SERVICES	\$ 80,077	\$ 111,757	\$ 182,842	\$ 50,000	\$ 65,609	\$ 18,000	-64.00%
320-6100-539-5291	CONF/MEETINGS/TRAVEL	\$ 2,061	\$ 2,712	\$ 2,432	\$ 5,000	\$ 5,200	\$ 5,000	0.00%
320-6100-539-5296	TRAINING & EDUCATION	\$ 8,481	\$ 5,728	\$ 6,981	\$ 8,000	\$ 1,000	\$ 8,000	0.00%
320-6100-539-5298	GEMT QUALITY ASSURANCE FEE	\$ -	\$ -	\$ -	\$ -	\$ 11,328	\$ 23,000	
320-6100-539-5299	IGT EXPENSE	\$ 452,495	\$ 703,440	\$ 861,579	\$ 447,000	\$ 503,774	\$ 500,000	11.86%
320-6100-539-5301	DEPRECIATION	\$ 122,435	\$ 135,674	\$ 150,310	\$ 114,753	\$ 150,310	\$ 150,310	30.99%
320-6100-539-5501	TRANSFER OUT-OVERHEAD	\$ 70,000	\$ 68,000	\$ -	\$ -	\$ -	\$ -	
	TOTAL MAINTENANCE & OPERATIONS	\$ 2,416,000	\$ 3,055,715	\$ 3,086,676	\$ 1,975,006	\$ 3,162,345	\$ 3,120,541	58.00%
320-6100-539-5614	FIRE STATION BOND PMTS	\$ 53,483	\$ 73,038	\$ 70,782	\$ 68,438	\$ 68,438	\$ 65,988	-3.58%
	TOTAL DEBT SERVICE	\$ 53,483	\$ 73,038	\$ 70,782	\$ 68,438	\$ 68,438	\$ 65,988	-3.58%
320-6100-539-5701	CAPITAL OUTLAY	\$ 8,381	\$ 68,073	\$ 6,126	\$ 66,500	\$ 66,152	\$ -	
320-6100-539-5722	IPADS	\$ -	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	-100.00%
320-6100-539-5723	NEW AMBULANCE	\$ -	\$ -	\$ (0)	\$ 4,600	\$ 4,568	\$ -	-100.00%
	TOTAL CAPITAL OUTLAY	\$ 8,381	\$ 68,073	\$ 6,126	\$ 71,100	\$ 70,720	\$ -	-100.00%
320-6100-539-5505	TRANSFER TO OTHER FUNDS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	TOTAL, AMBULANCE	\$ 3,367,409	\$ 3,796,397	\$ 4,158,542	\$ 3,074,511	\$ 4,231,503	\$ 4,111,483	33.73%
FIRE								
320-6200-539-5101	SALARIES/FT	\$ 202,335	\$ 222,556	\$ 225,676	\$ 199,807	\$ 185,186	\$ 196,009	-1.90%
320-6200-539-5102	OVERTIME/FT	\$ 49,170	\$ 17,107	\$ 47,228	\$ 30,000	\$ 25,485	\$ 30,000	0.00%
320-6200-539-5105	RESERVE OFFICERS	\$ 22,739	\$ 9,998	\$ 28,607	\$ 20,000	\$ 8,500	\$ 20,000	0.00%
320-6200-539-5121	FICA	\$ 20,425	\$ 20,303	\$ 22,969	\$ 15,208	\$ 16,767	\$ 14,727	-3.16%
320-6200-539-5123	PERS	\$ 44,891	\$ 50,107	\$ 55,394	\$ 55,398	\$ 55,398	\$ 55,367	-0.06%
320-6200-539-5124	PENSION EXPENSE-GASB 68	\$ 182,917	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6200-539-5125	MEDICAL	\$ 21,346	\$ 23,258	\$ 25,544	\$ 24,207	\$ 24,207	\$ 29,537	22.02%



**CITY OF KINGSBURG
ENTERPRISE FUNDS
BUDGET PREPARATION WORKSHEET - EXPENSES
FOR FISCAL YEAR 2019/20**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 15/16 ACTUALS	FY 16/17 ACTUALS	FY 17/18 ACTUALS	FY 18/19 BUDGET	PROJECTED YEAR END	FY19/20 PROPOSED	Percent Change
320-6200-539-5127	WORKERS COMP	\$ 12,902	\$ 16,350	\$ 30,100	\$ 30,911	\$ 30,911	\$ 26,346	-14.77%
320-6200-539-5129	UNIFORM ALLOWANCE	\$ 2,660	\$ 2,681	\$ 2,520	\$ 2,800	\$ 3,850	\$ 4,000	42.86%
320-6200-539-5131	EAP	\$ 495	\$ 1,297	\$ 44	\$ 54	\$ 54	\$ 42	-21.43%
320-6200-549-5133	LIFE INSURANCE	\$ -	\$ -	\$ 120	\$ 120	\$ 120	\$ 141	
	TOTAL WAGES & BENEFITS	\$ 559,880	\$ 363,658	\$ 438,202	\$ 378,505	\$ 350,478	\$ 376,169	-0.62%
320-6200-539-5201	OFFICE SUPPLIES/POSTAGE	\$ 1,078	\$ 1,063	\$ 1,228	\$ 1,500	\$ 1,500	\$ 1,500	0.00%
320-6200-539-5205	PERSONNEL/MEDICAL	\$ 3,533	\$ 150	\$ 2,739	\$ 3,000	\$ 3,000	\$ 3,000	0.00%
320-6200-539-5210	DEPT TOOLS & SUPPLIES	\$ 15,158	\$ 16,292	\$ 16,273	\$ 18,000	\$ 12,500	\$ 18,000	0.00%
320-6200-539-5211	RESERVE UNIFORMS	\$ 3,771	\$ 3,240	\$ 6,034	\$ 6,200	\$ 6,200	\$ 6,200	0.00%
320-6200-539-5212	SAFETY PERS PROTEC EQUIP	\$ 455	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6200-539-5216	COMMUNICATIONS	\$ 10,512	\$ 12,420	\$ 11,819	\$ 12,500	\$ 12,500	\$ 12,500	0.00%
320-6200-539-5218	UTILITIES	\$ 24,055	\$ 23,587	\$ 25,644	\$ 21,000	\$ 23,500	\$ 22,000	4.76%
320-6200-539-5222	VEHICLE MAINTENANCE	\$ -	\$ -	\$ 27,549	\$ 13,000	\$ 25,000	\$ 13,000	0.00%
320-6200-539-5224	FUELS	\$ 6,418	\$ 6,483	\$ 7,415	\$ 6,500	\$ 9,000	\$ 9,500	46.15%
320-6200-539-5226	EQUIPMENT MAINTENANCE	\$ 23,627	\$ 16,956	\$ 7,748	\$ 6,000	\$ 10,000	\$ 8,000	33.33%
320-6200-539-5261	LIABILITY INSURANCE	\$ -	\$ -	\$ 3,820	\$ 4,949	\$ 4,949	\$ 4,062	-17.92%
320-6200-539-5262	PROPERTY INSURANCE	\$ -	\$ -	\$ 623	\$ 702	\$ 702	\$ 616	-12.25%
320-6200-539-5263	VEHICLE INSURANCE	\$ -	\$ -	\$ 5,372	\$ 3,172	\$ 3,172	\$ 5,443	71.61%
320-6200-539-5264	ERMA	\$ -	\$ -	\$ 882	\$ 1,077	\$ 1,077	\$ 1,270	17.89%
320-6200-539-5265	RISK MGT/RMA ADMIN FEES	\$ -	\$ -	\$ 459	\$ 434	\$ 434	\$ 343	-21.07%
320-6200-539-5270	PROFESSIONAL SERVICES	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000	
320-6200-539-5291	CONF/MEETINGS/TRAVEL	\$ 1,328	\$ 1,497	\$ 2,459	\$ 4,000	\$ 2,500	\$ 4,000	0.00%
320-6200-539-5292	MEMBERSHIPS/DUES	\$ 2,845	\$ 2,149	\$ 1,983	\$ 3,000	\$ 2,078	\$ 3,000	0.00%
320-6200-539-5296	TRAINING & EDUCATION	\$ 2,774	\$ 3,065	\$ 4,880	\$ 6,000	\$ 4,000	\$ 6,000	0.00%
320-6200-539-5324	FIRE PREVENTION	\$ 1,148	\$ 596	\$ 845	\$ 1,000	\$ 1,000	\$ 2,500	150.00%
	TOTAL MAINTENANCE & OPERATIONS	\$ 96,702	\$ 87,499	\$ 127,771	\$ 112,034	\$ 129,112	\$ 126,934	13.30%
320-6200-539-5701	CAPITAL OUTLAY	\$ -	\$ 2,424	\$ (0)	\$ (0)	\$ -	\$ -	
320-6200-539-5724	COMPUTERS & MONITORS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
320-6200-539-5725	WILDLAND TURNOUTS	\$ -	\$ -	\$ 3,878	\$ -	\$ -	\$ -	
320-6200-539-5726	TURNOUT EXTRACTORS	\$ -	\$ -	\$ (0)	\$ (0)	\$ -	\$ -	-100.00%
320-6200-539-5727	FIRE STATION #1/#2 FURNITURE	\$ -	\$ -	\$ 2,074	\$ 5,000	\$ 5,000	\$ -	-100.00%
320-6200-539-5767	POWER SAWS	\$ -	\$ -	\$ -	\$ 2,400	\$ 2,400	\$ -	
320-6200-539-5768	FD CHIEF'S VEHICLE REPLACENT	\$ -	\$ -	\$ -	\$ 60,000	\$ 60,000	\$ -	
	TOTAL CAPITAL OUTLAY	\$ -	\$ 2,424	\$ 5,951	\$ 67,399	\$ 67,400	\$ -	-100.00%
	TOTAL, FIRE	\$ 656,582	\$ 453,581	\$ 571,924	\$ 557,938	\$ 546,990	\$ 503,103	-9.83%
	TOTAL WAGES & BENEFITS	\$ 1,897,278	\$ 1,692,579	\$ 2,168,617	\$ 2,059,602	\$ 1,959,551	\$ 2,059,418	-0.01%
	TOTAL MAINTENANCE & OPERATIONS	\$ 5,286,493	\$ 6,101,480	\$ 6,250,868	\$ 5,289,856	\$ 6,308,533	\$ 6,435,456	21.66%
	TOTAL DEBT SERVICE	\$ 196,787	\$ 205,200	\$ 184,686	\$ 174,818	\$ 174,818	\$ 159,798	-8.59%
	TOTAL CAPITAL OUTLAY	\$ 31,463	\$ 115,664	\$ 12,077	\$ 6,401,249	\$ 674,776	\$ 5,835,000	-8.85%
	TOTAL TRANSFERS OUT	\$ 165,483	\$ 159,622	\$ 167,788	\$ 121,274	\$ 121,274	\$ 190,988	57.48%
	TOTAL, ALL ENTERPRISE FUNDS	\$ 7,577,504	\$ 8,274,545	\$ 8,784,036	\$ 14,046,799	\$ 9,238,951	\$ 14,680,660	
	Revenues	\$ 8,231,445	\$ 8,558,911	\$ 13,673,727	\$ 7,921,028	\$ 9,072,549	\$ 8,966,496	
	Expenses	\$ 7,577,504	\$ 8,274,545	\$ 8,784,036	\$ 14,046,799	\$ 9,238,951	\$ 14,680,660	
		\$ 653,941	\$ 284,365	\$ 4,889,691	\$ (6,125,771)	\$ (166,402)	\$ (5,714,164)	



Meeting Date: 08/27/2019
Agenda Item: 5

FINANCE COMMITTEE MEETING STAFF REPORT

REPORT TO: Chairman Dix & Finance Committee

REPORT FROM: Alma Colado, Finance Director

REVIEWED BY: AP

AGENDA ITEM: Existing Contracts Review Project

ACTION REQUESTED: ☐ Ordinance ☐ Resolution ☐ Motion ☒ Receive/File

EXECUTIVE SUMMARY

Previously, the Finance Committee requested to review information related to current city contracts/agreements. Included in your packet is a list of existing vendors the city uses on an ongoing basis. While many of these include an agreement, some are simply month to month. We have included supplemental notes to give some additional information on each.

RECOMMENDED ACTION BY FINANCE COMMITTEE

1. Informational only.

POLICY ALTERNATIVE(S)

1. N/A

REASON FOR RECOMMENDATION/KEY METRIC

1. Ensure Financial Stability

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|---------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |
| 3. If Budgeted, Which Line? | <u>Varies</u> |

BACKGROUND INFORMATION

See Executive Summary

ATTACHED INFORMATION

1. Vendor/Contract Listing

Agreements-Contracts

					5/15/2019	Notes
	Purpose	Paid	Amount	Start	End	
Accela Service Proposal	Acctg. SoftwareTech Support	Annual	\$ 20,999.86			New provider began in 2016
AFLAC	Additional Ins.	Monthly	\$ 876.74			Ongoing
Airgas Product Sale Agreement	Air tanks & supplies	Monthly		10/16/2009		Ongoing Says end date is 2012 - was there an extensio
Ambulance Billing Contract-Sharp	Billing & payments - F & A	Monthly		8/1/2018	8/1/2021	0.04% of revenue collected
Ameritas Dental Insurance	Dental Ins.	Monthly	\$ 4,552.20	1/2/2014		per amndmnt Annual contract with health ins. Package
Angelica Textiles Svc's-Fire	Linen & supplies Svc - F & A	Monthly				Ongoing
ASI	Gap Ins.	Monthly	\$ 1,290.00			Part of health ins. Package
AT & T	Phone Svc-PD-	Monthly	\$ 209.00			Ongoing
AT & T Calnet 3 - PD	Phone Svc-PD-4 lines	Monthly	\$ 1,078.86			Ongoing
AT & T Calnet 3 - PW's	Phone Svc-Fax/SCADA	Monthly	\$ 381.58			Ongoing
AT & T Mobility-PD	Cellular Svc-PD	Monthly	\$ 560.31			Ongoing
Benetrac Agreement		Monthly	\$ 425.00	5/1/2006		per effective dates
Blue Fin Merchant Partner	Card Processing System	Monthly	Deducted			0.0325 - 0.0005 depending on CC type Springbrook has contract
Blue Shield Agreement	Medical Ins	Monthly	\$ 38,380.50			Annual review
Cal State Pest Control	Citywide Pest Control Svc.	Monthly	\$ 460.00			Ongoing-Cert Expired 10/01/2016
Canon Financial - PW's	PW's Copier	Monthly	\$ 94.36	31-Oct-17		Ongoing
Canon Financial - PD	PD Copier	Monthly	\$ 899.78			
Canon Financial - SC	SC Copier	Monthly	\$ 122.53			
Central Valley Street Sweeping	City Street Sweeping	Monthly	\$ 11,825.00	1-Mar-16	28-Feb-21	
Chamber of Commerce Prof. Svc's Agreement	Monthly Budget Allowance	Monthly	\$ 2,500.00	2/13/2019	6/30/2019	Resets 7/1/2019
Cintas-PW's Uniforms	Public Works Uniforms & Svc	Monthly	\$ 851.68			Ongoing
City Audit Contract-Price, Page & Co.	Auditors Svc	Annual		2019	2024	
City Hall Lease Agreements-Andy & Betty Wong	Bldg Leases	Monthly	\$ 2,600.00	1-Nov-18	31-Oct-21	Options for extension
Civic Plus Advantage Contract		Annually	\$ 5,506.50	21-Aug-15	20-Aug-19	Contract is for 48 mos.

Agreements-Contracts

					5/15/2019		Notes
	Purpose	Paid	Amount	Start	End		
Collins & Schoettler Plnng. ConsInt. Agrmnt	Planning Consultants	Hourly	\$90.00	9/15/2014		Ongoing	
Comcast - PD - Internet	Internet Svc	Monthly	\$ 161.19			Ongoing	Required secure line with Fresno Co.
Comcast - PW's - Cable	Cable Svc	Monthly	\$ 75.71			Ongoing	
Comcast - Fire 1st St. - Cable	Cable Svc	Monthly	\$ 219.97			Ongoing	Portion paid by Association
CSJVRMA						Ongoing	Risk management pool
David Taussig & Associates #2	Svc's CFD					Ongoing	Occurs when applicable (paid through CFD)
Dearborn National Life Ins.	Life Insurance	Monthly	\$ 553.65				
EH National - Lease Dept.	Water Meters-Prin & Int	Annual	\$ 142,838.83	Aug. 2016			Debt payment for water meters
Ener Power Contract	Electric Energy Charges	Monthly		Apr-18	Mar-23		Audits PG&E Tariffs for improved rates
Five Cities Econ Dev Authority JPA	JPA	Quarterly	\$ 1,020.95	11/16/2004			
FMAAA	SC-Non Qualifying Meals & Site supplies	Monthly				Ongoing	
Fresno Co. Sheriffs Contract Svc's-Dispatch	Dispatch svc's Agrmnt	Monthly	\$ 15,273.14	6/8/2010		Ongoing	
Guardian	Ins. Prem-Vol Life/Life/Vision/Dental	Monthly	\$ 5,548.78				
Healthwise Agreement - Kiosk's	Kiosk-Pharm drop off site	Monthly	\$ 175.00	5/1/2014		Ongoing	Paid by SKF
Henry Schein - Medical Supplies-Amb.	Medical supplies	Monthly				Ongoing	
Iron Mountain-Shredding Svc-PD & CH	Document shredding	Monthly	\$ 70.00			Ongoing	
Jacks Refrigeration Maint. Agreement	Maintenance as needed			5/1/2016		Ongoing	
J's Communication	Tech svc @ PD					Ongoing	
JC's Lawn Service	Landscape Svc /and as needed	Monthly	\$ 4,600.00	Mar-16			Paid via landscape/lighting district funds
Kahn, Soares & Conway, LLP	Attorney Svc's-Rtner/as needed	Monthly	\$ 5,500.00			Ongoing	Retainer
Kingsburg Media Foundation-R Gierke	Tech ConsInt/Svcs	Monthly	\$ 2,020.00	1-Jan-19	31-Dec-21		
Mid-Valley Disposal Contract	Disposal/Recyc/Grnwst Svc	Monthly	\$ 99,000.00	30-Jun-14	29-Jun-24		Amount changes annually per contract
Muni Financial Contract/Willdan	Local Imprv Distr./Annual Distr	Annual	\$ 9,500.00	24-Mar-03			Oversees existing Landscape and Lighting Dist
Muni Services Sales Tax Audit Contract	STARS/SUTA/CAFR	Quarterly		7-Jan-19		Ongoing	Ensures proper sales tax collection

Agreements-Contracts

					5/15/2019		Notes
	Purpose	Paid	Amount	Start	End		
Peters Engineering Contract	Retainer / as needed	Monthly	\$500.00	1-Oct-15		Ongoing	
Physio-Control, Inc.-Contract-Fire Dept.	Maint-LifePak Monitors & Cuffs	Annual	\$ 11,787.00	1-Feb-12			
Pitney Bowes Postage Meter Contracts-PD	Postage & supplies/as needed	Quarterly	\$ 193.33				
Pitney Bowes Global-CH	Postage Lease-machine	Quarterly	\$ 177.95	31-Aug-16		Ongoing	
Pitney Bowes - Reserve-CH	Postage & supplies/as needed	As needed	\$ 1,000.00				
Polyack Marketing	Marketing CnsInt-Econ Dev	Monthly	\$ 3,000.00				
Price Paige & Company	Auditors	Annually	\$ 37,850.00				
Professsional Print & Mail, Inc.	Utility bills/DelInqnt/Notices	As Needed	\$5,000.00			Ongoing	Print utility bills
Provost & Pritchard Well Site-TCP Removal	Well Site Review-TCP	Monthly	\$ 11,000.00	15-Apr-15		Ongoing	
Purchase Power- Postage meter Lease-PD	Postage lease-machine	Monthly	\$ 300.00			Ongoing	
Second Chance Animal Shelter Agreement	Agrmnt-Animal intake	Monthly	\$ 1,250.00	1-Jul-17		Ongoing	Renews annually
Silva's Oil Co.-Fuel Provider Svc's Agreement	City Cardlock Svc-Gas cards	Bi-Weekly	\$ 2,600.00	21-Jul-10			
Staples Advantage-Office Supplies	Office supplies	Monthly				Ongoing	
Superior Pool Care	Pool Svc @ High School	Monthly	\$ 2,600.00	Mar-19			
Toshiba Financial Svc's	Copier Contract-CH	Monthly	\$ 681.10				
UnWired Broadband, Inc.	Lease Water Tower	Monthly	\$700.00	1-Apr-18	31-Mar-21		Payment to the city
VerizonWireless-CH	Cell phone Service	Monthly	\$ 260.00			Ongoing	
VerizonWireless-Fire	Cell phone Service	Monthly	\$ 266.07			Ongoing	
VerizonWireless-PD	Cell Phone Service	Monthly	\$ 346.46			Ongoing	
VerizonWireless-PD	New Evidence Phones	Monthly	\$ 594.96			Ongoing	
Viking Cleaning Service	Janitorial Svc's - City Bldgs	Monthly	\$ 3,076.02	12/1/1992		Ongoing	Includes all city buildings
VSP(Vision Service Plan) Agreement	Vision Ins.	Monthly	\$ 769.37	1-Jan-16	12-Dec-24		
Zoom Imaging Solutions, Inc.-Contract Coverage & supplies	Base Rate/copies& supplies	Quarterly	\$ 448.31	12-Apr-16	11-Jul-21		